The Soybean Digest

OFFICIAL PUBLICATION • AMERICAN SOYBEAN ASSOCIATION

Soy lecithin improves candy and dozens of other products. See page 18.

OCTOBER ✦ 1953

VOLUME 13 ✦ NUMBER 12

IN PHILLIPS 66 SOLVENTS

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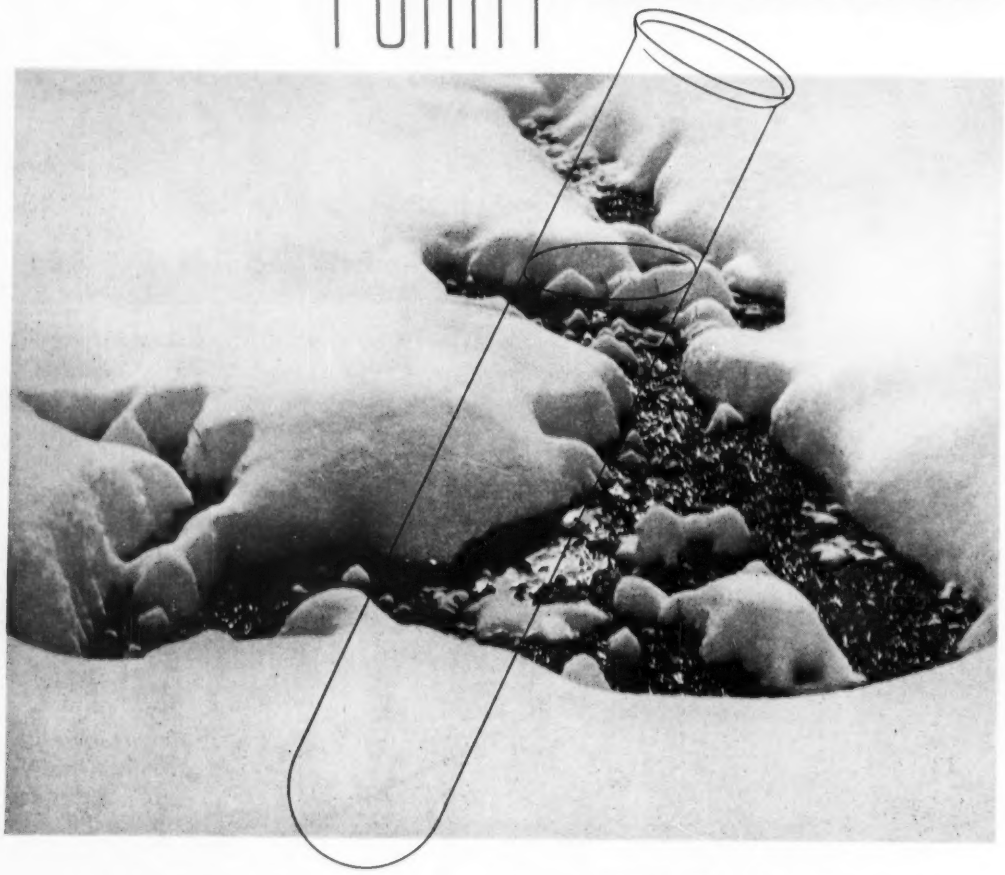

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THE Soybean Digest

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HUDSON, IOWA

Vol. 13 • October, 1953 • No. 12

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THE SOYBEAN DIGEST

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THE AMERICAN SOYBEAN ASSOCIATION

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Objectives of the American Soybean Association include the bringing together of all persons interested in the production, distribution and utilization of soybeans; the collection and dissemination of the best available information relating to both the practical and scientific phases of the problems of increased yields coupled with lessened costs; the safeguarding of production against diseases and insect pests; the promotion of the development of new varieties; the encouragement of the interest of federal and state governments and experiment stations; and the rendering of all possible services to the industry.

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EDITOR'S DESK

LET'S PROFIT BY MISTAKES OF OTHERS Now is the time for decision. The soybean industry must decide at this stage whether it wants high support prices and the resulting acreage controls on soybeans, or whether we want lower support prices and the unrestricted acreage which would accompany it. The ideas of one economist who is particularly interested in and concerned with soybeans are given in the article by Dr. Hieronymus, on page 11.

Your editor took over his duties in 1940. The first issue of Soybean Digest came out in November of that year. Total production of soybeans that year was 78 million bushels. Except for the war years there has been talk of overproduction of soybeans nearly every year since the Soybean Digest became your spokesman. And we have never yet been confronted with a sizeable carry-over of soybeans at the end of the crop year. Even with restricted markets and the 291-million-bushel production of 1952 the carry-over at the end of the crop year will be less than 3 percent of the crop.

Is it logical to consider acreage controls now? With a 1953 crop well below last year's levels? With supplies of both meal and oil destined to be shorter than during the past year? With acreage of cotton and flax both to be reduced (in all probability) in 1954? Is it not logical that we, as an industry, see how far we can go in expanding our markets before we start running like a scared rabbit?

To your editor—and it is personal opinion—it is much more logical to take a lower price guarantee and employ our initiative in marketing. A lower support price does not necessarily mean a lower selling price. The law of supply and demand still operates (within limits). In my book it is better business to forego the high support price and develop markets than to restrict production and find other commodities taking over the market. Look what happened to cottonseed oil during the past crop year! Once the major ingredient of margarine, it found itself overpriced in the cottonseed package program, and Uncle Sam ended up owning most of the nation's cottonseed oil production. Some day it will come back to compete with current production. Margarine manufacturers have stepped up the percentage of soybean oil consistently, and found their product consistently good. It will be much harder for cottonseed oil to regain that market than it would have been to hold it.

Let us not find soybean oil or soybean oil meal priced out of our logical markets, so long as prices are reasonable and production profitable under the price structure. Markets expanded at reasonable prices can be considered markets held during higher price periods.

Let us not be caught restricting acreage when we do not yet know the quantity of soybeans our nation and export markets can consume. The Secretary of Agriculture has until Dec. 1 to announce the 1954 support price program on soybeans. Watch for it—and if you have definite convictions on support levels notify the Secretary now.

PROCESSORS SHOULD BE CONSISTENT The meeting planned for Chicago in Mid-October pertaining to federal grades applying to soybeans, and pertaining to marketing practices now prevalent in the industry, is discussed on the Association Activities page of this issue.

Processors of soybeans have, during recent weeks, changed their basis of buying soybeans. Most firms are now using U. S. No. 1 as the basis of bids, with discounts from that basis. They are apparently doing so in an attempt to get cleaner beans—for allowable foreign material is 2 percent under No. 1 grade, rather than 3 percent as under No. 2. Allowable moisture is also 1 percent lower.

Regrettable factor in the picture, however, is the failure to provide in this new basis of buying any provision for the payment of a premium for low-moisture-content beans. Many soybeans have come out of the fields this fall at 10 percent moisture and less. The man who brings in a load of 8-percent-moisture beans receives no premium—in fact he takes a discount. He has fewer pounds of soybeans to sell. If he were inclined to do so he could well afford to pour a barrel or two of water over his beans before taking them to town, or as he loads them out of the bin for delivery. Soybean prices for water costs are still a good investment!

If it is logical to make a discount on soybeans running more than 13 percent moisture, then it is also logical to pay a premium on soybeans running less than 13 percent moisture. Certainly a lot of beans containing 8 percent moisture contains more usable meal and oil than one containing 13 percent. Why not pay the grower for what he delivers? Be it good or bad? Rather than discounting only for the bad?

Why not offer an incentive for delivery of low moisture? Rather than an incentive to add a barrel of water. Why make a grain plugging artist out of the good producer?

DO YOU WANT LATE NEWS EACH MONDAY? If you are a large grower of soybeans, a handler of soybeans, a processor of soybeans or if you deal in or produce or store soybeans in any way you should be reading the weekly issues of Late News. For several months we have been building a list of correspondents throughout the soybean belt, until we now have accurate sources of information in all sections. This weekly summarization of developments in soybeans, issued every Saturday morning, should be in your hands every Monday morning during the harvest season. Use the subscription blank on page 6 of this issue and send in your subscription today. Only $7.50 per year. it will repay its cost many times through your increased knowledge of developments affecting soybean markets.

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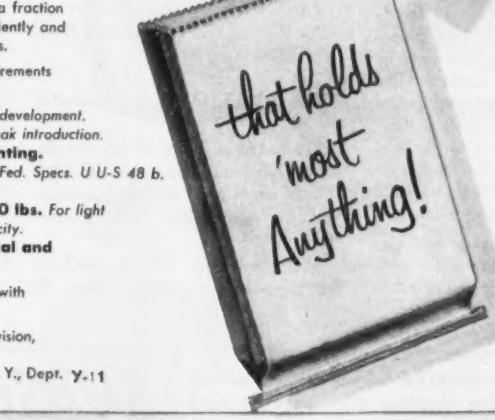

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ACTIVITIES OF YOUR ASSOCIATION

FIELD MAN. A new field service director for the American Soybean Association peeled off his coat and went to work Sept. 14.

His name is Albert Dimond, Lovington, Ill., farm operator and soybean producer, who is also vice president of the American Soybean Association. Dimond, who has been a director of the Association for several years, took the job because of his conviction of the importance of the field work for the Association and that it should be done now.

He will devote a major portion of his time to the Association's field program. This is made possible by the recent return of his son, Bill, from military service in Korea. Bill will take over a large share of the responsibility for operation of the Dimond farms.

Dimond will hold meetings with soybean producer groups in the various parts of the soybean belt and contact soybean buyers in those areas.

First meetings were held at Paulding and Mechanicsburg, Ohio. These were being followed by meetings in Christian and Moultrie Counties, Ill., in early October. It is being pointed out to producers that with a probable switch of another 4 million acres to soybeans in 1954, the price could decline another dollar unless they take strong and promp action.

Ersel Walley, chairman of the trade and use promotion committee of ASA, and Geo. M. Strayer, secretary-treasurer, are taking part in these meetings.

ALBERT DIMOND

With the need for expansion of its activities becoming obvious, the field service program of the American Soybean Association was launched in 1948, with the purpose of gradually expanding it to cover all main soybean areas. To date it has been set up only in limited areas.

Under the program growers are asked to contribute voluntarily from their harvested crop.

CONVENTION. It's Memphis in '54!

The board of directors has already set the time and place for the 34th annual convention of the American Soybean Association. And committees are at work!

The convention will be held at Hotel Peabody in Memphis Aug. 30 and 31, and Sept. 1. There will be two days of program in addition to a field day in Arkansas. Plans are already being made for special plantings of soybeans for the field day.

One of ASA's best conventions in the past was the one held in Memphis in 1948. The convention in '54 should be even better. Memphis has already rolled out a huge welcome mat for the occasion. Memphis Merchants Exchange has set up a number of committees to assist in planning and carrying out the convention.

GREEN BEANS. A caution about subjecting green tinged soybeans that have been harvested over wide areas in the soybean belt to heavy price discounts has been issued by Geo. M. Strayer, secretary-treasurer of the American Soybean Association, to newspapers and radio stations in the areas affected.

Strayer pointed out that such soybeans have matured unnaturally due to the hot, dry weather in August and September. Unless they are of an intense green color they should not be classed as damaged beans and subject to discounts. If soybeans show some yellow or are light green they should be classified as yellow or green soybeans, and should not be discounted, he said. Past experience has shown that such beans usually come out of storage yellow.

J. V. McDonald, head of the Decatur office of Production and Marketing Administration grain branch, checked a number of samples of such soybeans and reports that most are not damaged.

The general belief is that only the early harvested soybeans will give any trouble, and that the later har-

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vested crop will not show the green tinge. ASA has had no reports of green colored soybeans being heavily discounted this year.

GRADES. A meeting of all segments of the soybean industry to consider possible changes in the federal soybean grading standards and marketing practices has been called by the American Soybean Association and will be held in the Bismarck Hotel, Chicago, Monday, Oct. 19. Meeting begins at 10 a.m.

Representatives of the grain grading branch, Production and Marketing Administration, elevators both cooperative and privately owned, processors, exporters, export buyers and producers have all been invited to attend.

All points of view will be presented and if possible agreement will be reached on the steps that should be taken toward improving soybean marketing standards and making the grading standards more workable.

Many in the industry consider the present standards, which allow 3 percent foreign material and 14 percent moisture for No. 2 soybeans, too loose. They say they encourage the inclusion of trash in soybeans and bad practices.

This preliminary step will determine if the industry can agree on the changes that should be made. If so, the U. S. Department of Agriculture will be asked to call hearings to consider revision of the grading standards.

The decision to call the meeting was made at the Association's annual business meeting at St. Louis Aug. 21.

—s b d—

CCC Storage Bins

Purchase of 96 million bushels added storage for government-owned corn this fall has been announced by the U. S. Department of Agriculture.

The purchase, totaling 16,520 bins, goes into nine Midwest states and will relieve pressure on bins for soybean storage. Erection of the bins is already under way.

Following is the allocation of the bins by states: Illinois 11 million bushels; Iowa 52.5 million; Kansas 326,000; Michigan 5.1 million; Minnesota 10.6 million; Nebraska 10.5 million; Ohio 162,500; South Dakota 3.6 million; and Wisconsin 2.3 million.

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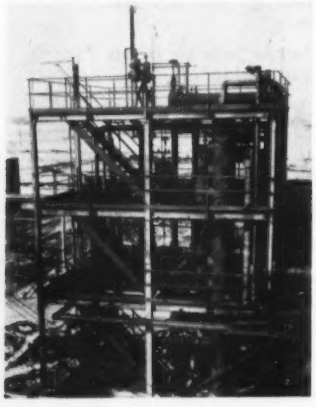
By KENT PELLETT
Managing Editor
The Soybean Digest

FRACTIONATING TOWER, adapted to vegetable oils, made the fatty acids industry possible.



YOU HAVE HEARD many stories about the cinderella products of the farm—products that once were wasted but now are used in a dazzling variety of fascinating articles.

Such a story can be told about soybean fatty acids, products of the soybean oil refiner's once-despised foots kettle. Here were thrown not only such refinery byproducts as soapstocks but also tank settlings and wastes.

Not many years ago these items were almost a complete drug on the market. They sold only to soap manufacturers who bought them for little more than transportation costs, in spite of the fact that many raw materials from which fatty acids can be separated have real value.

Now they are convertible into fatty acids of uniform grades which enter into products as various as rubber and paints, perfumes and paper, and insecticides and cosmetics. And fatty acids are quoted on commodity exchanges at about the price of crude soybean oil.

Few products have a wider range of usage yet are more unheralded. The consumers of the end products never hear of fatty acids.

Big Expansion

The fatty acids industry has undergone a big expansion in the past five years. But Dr. Ralph H. Manley, director of research for General Mills, Inc., says it is just now in its adolescence and has a lifetime of growth ahead.

There are about 24 manufacturers of soybean and other fatty acids. These may come from other vegetable oils such as cottonseed, corn and peanut, from coconut and palm oils, from tall oil, and from animal fats and fish oils.

Recently I visited the research laboratories and chemical division of General Mills at Minneapolis. General Mills, one of the world's largest flour millers, is also one of the big three cereal manufacturers, a major soybean processor, and is in many other lines.

The firm entered the fatty acids field when it built its Chemoil plant at Kankakee, Ill., a few years ago. Already it was a producer of specialty products such as flakes for soybean glue, refined oils and soybean lecithin. Its oil refining operations led naturally into the fatty acids field.

Said Dr. Manley: "Foods, feeds, soybean products and home appliances—these are the foundation stones on which General Mills now stands. Entry into this (fatty acid) field will still further broaden and strengthen the foundations of the General Mills structure and enhance the value of American oilseed crops."

Animal Oils Too

Fatty acids are produced from vegetable and animal oils at Kankakee. General Mills uses the foots or soapstocks from its own soybean oil refinery at Belmond, Iowa, and buys soybean and other soapstocks from other refiners for fatty acids manufacture. The raw materials for fatty acids may also be obtained from soap makers and shortening and margarine manufacturers.

The firm sells its fatty acids to jobbers and industrial users. It makes no end products.

In the process of refining crude soybean oil a soda soap is formed and settled out as foots. It carries with it a certain amount of free soybean oil. This product is known as raw soybean foots.

The next step is to use sulfuric acid to break down the soap. The resulting material is called acidulated foots or 95-percent soapstock, which is usually the raw material for making fatty acids. The soapstock is then treated to remove any remaining glycerine and convert the entire product to free fatty acids.

The free fatty acids thus obtained are then distilled to remove the color bodies and impurities. This produces a light-colored material having about the same iodine number and titre as the original oil.

Fatty acids at one time were produced mainly from animal fats, but now almost as great a volume comes from vegetable oil foots. The two big volume sources are soybean and cottonseed. Soybean fatty acids are preferred by the trade. This is due principally to the fact that cottonseed fatty acids have a low iodine number so are unsuitable in products where quick drying is needed. Cottonseed oil foots have to go through an extra process to concentrate the high-iodine-number constituents.

As this article is written the soy-

bean acid soapstocks are quoted at 4½ cents a pound and cottonseed acid soapstocks at 2½ cents, even though crude cottonseed oil is worth 2 cents a pound more than soybean oil on today's market.

The vegetable oil fatty acids were originally a despised product because all the leftovers of the refining process were thrown into the foots kettle from whence they came. Such a duke's mixture had no dependable characteristics. All the fatty acids mixtures had a combination of good and bad characteristics for almost any conceivable use. For instance, the non-yellowing properties of soybean fatty acids made them very attractive for paints, but they were too slow-drying for this purpose. They were the despair of potential users.

Fatty acids continued to go into the soap kettle at give-away prices until the 1930's. Then the fractional distillation process developed by the petroleum industry was adapted to fatty acids. With the use of this method it became possible to separate mixed fatty acids from each other and to tailor them to desired end uses. The drying fraction was separated from the non-drying fraction, one going into such products as soaps, the other into protective coatings and other items requiring quick drying.

So the fatty acids industry was born, and quickly spread from soap into many other fields.

Characteristics

In characteristics fatty acids range from liquids as light as kerosene to dense, waxy solids. For practical purposes they may be divided as follows:

1—Saturated, particularly stearic (non-drying). These are solids at room temperature. They are used in soaps, non-soap detergents, cosmetics, candles and waxes.

2—Poly-unsaturated (drying). Liquid at room temperature. Used in quick-drying paints and varnishes. From these are made more durable paints and with faster colors than from any other material in nature.

3—Mono-unsaturated, oleic. Lies between the other two types in characteristics. Used for liquid soaps, textile chemicals, and chemical derivatives.

Soybean and other vegetable oils contain all three types of fatty acids.

The fatty acids of soybean oil are double unsaturated linoleic acid, 50 to 60 percent; triple unsaturated linolenic acid, 2 to 8 percent; mono-unsaturated oleic acid, 25 to 30 percent; and a small amount of saturated palmitic acid.

Soap and protective coatings are still the chief uses for vegetable oil fatty acids. Paint and varnish lead, with the two uses together consuming 80 percent of the fatty acids produced. Other sizable fields are: rubber 5 percent and chemicals 6 percent.

Soybean fatty acids are important in many other fields such as linoleum and oilcloth, metal working, cutting and core oils, textiles, leathers, adhesives, cosmetics and pharmaceuticals, though the volume used in these products is small.

It is not surprising that a young industry like this suffers from growing pains. An important problem is finding a dependable and consistent source of soapstocks. The product has been extremely variable due to the fact that refiners have not been in the habit of looking on the foots tank as a source of much profit, and have been dumping everything of little value in it. Buyers have trouble in buying soapstocks on specifications.

The American Oil Chemists' Society is developing new analytical methods that will enable the National Soybean Processors Association, the National Cottonseed Products Association, and the Association of American Soap & Glycerine Producers, Inc., to set up improved soapstock standards in their trading rules.

It takes no prophet to foresee a bright future for fatty acids that will help to undergird the soybean industry. But before we go overboard in predicting that these products alone will pull the industry up by its bootstraps, we might remind our-

selves that 5 percent of the total soybean oil produced is about the present ceiling for fatty acids production from soybeans. This is the average refining loss or the amount that goes into the foots kettle.

It is possible, of course, to produce a fatty acid from whole soybean oil by removing the glycerine. But it is not usually profitable. It may be done when the price of the oil is low or a fatty acid is desired with characteristics not readily obtained from the foots. As long as there is a good market for soybean oil elsewhere the bulk of the fatty acids will continue to come from soapstocks.

The producers of fatty acids have their own organization, the fatty acids division of the Association of American Soap & Glycerine Producers, Inc. The following firms, in addition to General Mills, are producers of soybean fatty acids:

Acme Hardesty Co., New York, N. Y. Principally for hand soaps and resins.

Archer-Daniels-Midland Co., Minneapolis, Minn.

Armour & Co., Chicago, Ill.

E. F. Drew & Co., New York, N. Y.

Emery Industries, Inc., Cincinnati Ohio.

A. Gross & Co., New York, N. Y. For alkyd resins and specialty soaps.

W. C. Hardesty Co., Inc., New York, N. Y. For soap and alkyd resins.

Southern Cotton Oil Co., New York, N. Y. For protective coatings, synthetic resins, soft soaps, waxes and polishes, and printing inks.

Swift & Co., Hammond, Ind.

Vegetable Oil Products Co., Los Angeles, Calif. For alkyd resins, lubricating greases, soap and rubber.

Wilson-Martin Division, Wilson & Co., Philadelphia, Pa. For soap and alkyd resins.

Woburn Chemical Co., Harrison, N. J.

—s b d—

BROAD MARKET NEEDED

The processor of soybeans and cottonseed urgently requires a broad, fluid futures market, Scott E. Cramer, head of the oil milling department of Swift & Co., told the sixth annual symposium on commodity markets sponsored by the Chicago Board of Trade Sept. 10 and 11.

Said Cramer: "The processor needs a market in which he can sell the risk inherent in carrying between one-half and two-thirds of a year's supply of raw material and he must have a market that is fluid enough so that it will follow closely the value of the oil and meal produced from the soybeans. This is a 'must' for sound operations by the processor."

Cramer's subject was, "Trading and Merchandising Operations in Fats and Oils."

Processors Shift to No. 1 Bid Basis

MANY Midwest processors began buying soybeans on the basis of U. S. No. 1 grade in late September, and apparently others were soon to follow suit.

Iowa processors began placing bids for U. S. No. 1 grade soybeans on Sept. 21, and processors in states east of the Mississippi River went on that basis Sept. 28.

Processors said the change to No. 1 was made so they could obtain better quality beans than has been possible when bought as No. 2.

Statement of Central Soya Co. in announcing the change was typical. The Central Soya statement, in part:

"Soybeans have often reached the processor accompanied by a quantity of foreign material, which if continued, may threaten the quality and eventually the markets for soybean products.

"We are confident that the intense competition prevailing in this industry will be reflected in the price for No. 1 soybeans justifying this improved quality."

Allowable foreign material for No. 1 soybeans is 2 percent as compared to 3 percent for No. 2. Allowable moisture is 13 percent compared with 14 percent. However, processors are allowing 20 percent splits instead of the 10 percent called for by the official grading standards.

Soybeans are subject to a discount of 1½ cents for each ½ percent moisture over 13 percent when purchased as No. 1. However, to date there apparently has been no announcement of similar premiums for soybeans with moisture content under 13 percent, as urged by the American Soybean Association and producers generally.

—s b d—

GM CHEMICAL SALES MOVED TO KANKAKEE

The chemical products sales department of General Mills' chemical division has moved from Minneapolis, Minn., to Kankakee, Ill., it was announced by Sewall D. Andrews, Jr., general manager of the division. The transfer was effective Oct. 12.

The move is expected to provide more efficient and accurate customer sales service, Andrews said.

Manager of Kankakee operations is W. B. Brown, and Abner C. Hopkins, Jr., is director of chemical sales. Hopkins will be assisted by M. S. Herban, S. J. Murphy and W. S. Mitchell, who have been appointed managers of technical sales and service for Eastern, Central and Western districts respectively.

Purchase of all raw materials will be handled at the new office, under the direction of L. C. Young. This is designed to further consolidate total plant activity and improve service to customers, Andrews pointed out. Inquiries relating to the sale of chemical products, however, Andrews said, should continue to be directed to chemical division sales representatives who maintain offices in all principal cities.

General Mills' chemical plant at Kankakee produces a complete line of fractionally distilled fatty acids, modified fatty acids and oils, and a series of polyamide resin materials.

—s b d—

TO SIOUX INDUSTRIES

JOHN W. ZIPOY

John W. Zipoy, Minneapolis, has been appointed general manager of Sioux Industries, Inc., Sioux City, Iowa, which owns and operates the Sioux Soya Mills at Sioux City, and Western Feed Mills, Sioux Falls, S. Dak.

He resigned his position as Minneapolis branch manager of Pillsbury Mills feed and soy division, to accept the new position.

Zipoy was formerly chief of the feed section, OPS, Washington, D.C. He also is past president of the Northwestern Feed Manufacturers Association.

SOYBEANS IN A STRAIGHT JACKET?

Price Supports Should Be Lower!

• *With the certainty of controls on other crops causing diversion of a considerable acreage to soybeans producers will have to decide whether they want continued high support levels and a restricted acreage or lower support levels and an unrestricted acreage. This article by T. A. Hieronymous, University of Illinois economist, presents one viewpoint.*—EDITOR.

By T. A. HIERONYMOUS

FOR THE past several years soybean prices have been supported at 90 percent of parity on Dec. 1 of the preceding year. Announcement of supports has been made in the fall. Soybean supports are not mandatory; the level of support is at the discretion of the Secretary of Agriculture. There are indications that a support level of 90 percent of parity for 1954-crop soybeans would be unwise.

If restrictions on production of soybeans for crops following 1954 are to be avoided they must be priced at levels that will keep them from being tied up in a loan program. This will likely require prices lower than 90 percent of parity. The support level for the 1954 crop should recognize the likelihood of a sharp increase in soybean production in 1954 as a result of the support programs for wheat, cotton and corn.

1954 Soybean Acreage

How large an acreage of soybeans will be planted in 1954? It is much too early to make an accurate estimate. For the seven years 1943-1949 there was an average of 10,555,000 acres harvested for beans. There was no major trend in acreage during the period. In 1950 the acreage harvested for beans increased 3,332,000 acres to 13,814,000. In 1951 there were 13,545,000 acres harvested for beans, in 1952, 14,075,000 acres and 14,335,000 acres are indicated for 1953.

Acreage allotments and marketing quotas for cotton, peanuts and tobacco were in effect for the 1950 crops. There were acreage allotments for corn, wheat and rice. Farmers have approved acreage allotments and marketing quotas for the 1954 wheat crop.

Sharp Increase in 1950

The acreage allotments for 1950 indicated reductions of 6,359,000 acres of cotton, 15,987,000 acres of wheat, and 11,333,000 acres of corn. These allotments apparently caused the sharp increase in the 1950 soybean crop. Similar allotments for 1954 will likely have similar results. Since 1950 the soybean belt has spread out and become less concentrated. Such states as Minnesota, Kansas, Missouri, Arkansas, and Mississippi have increased soybean acreage. It appears likely that a higher proportion of the land taken out of wheat and cotton will be planted to soybeans than was the case in 1950.

Soybean acreage increased 32 percent from 1949 to 1950. If we assume a 32 percent increase from 1953 to 1954, apply the yields of the past five years, and make allowance for seed, farm usage, and export, we find that soybean oil and meal production from the 1954 crop will be about 40 percent larger than from the 1953 crop.

Current indications are that we will be able to use up the 1953 crop of soybeans at prices that will reflect 90 percent of parity. It does not seem reasonable to expect that the market will absorb 40 percent more oil and meal without a reduction in price. The reduction in price will not need to be as great, percentagewise, as the increase in production. Soybean meal makes up about 60 percent of vegetable meal supplies and about 45 percent of high-protein feeds. There will be some compensating decrease in cottonseed meal supplies. We have an expanding market for high-protein feeds. Our vegetable meal supplies are about three times as large as they were in 1935. The market has absorbed this tremendous increase without any reduction in soybean oil meal prices in relation to feed grain prices. We are a long way from a surplus of soybean meal in any fundamental sense.

Soybean oil makes up about 40 percent of our domestic edible fat and oil supply. It makes up about 5 percent of the world supply of fats and oils. After reaching a peak in 1951, world fat and oil supplies per capita appear to be declining.

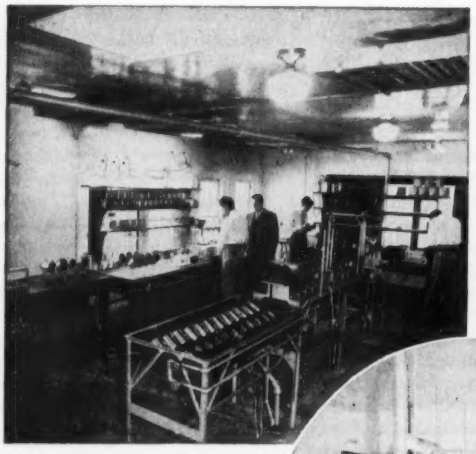
It is not possible to accurately forecast the price effects, both short and long run, that an increase of 100 million bushels of soybeans would have. Taking the several factors into account and assuming a constant to growing livestock population and a constant level of consumer income it appears that a decline of about 15 percent in the price would keep a large stock of soybeans from developing. That is to say that a support price of 75 percent parity would likely preserve an essentially free market for soybeans; would allow farmers to avoid acreage restrictions on soybeans. Seventy-five percent of parity is currently $2.10 at Illinois farms. Ninety percent of parity is $2.51. Cottonseed is now supported at 75 percent.

Choice Is Clear

The choice to be made is fairly clear. If soybeans are supported at 90 percent of parity, there will likely be a sharp increase in acreage. Farmers with storage will receive a high price for a big crop. But the following year it will be necessary to restrict acreage and there will be a price-depressing surplus overhanging the market. When corn, wheat and cotton farmers lose soybeans as a crop to substitute on acres taken out of production in compliance with other support programs, they will not have another high profit crop to turn to. Land will have to be taken out of high-profit crops and put in low-profit crops.

If soybeans are supported at 75 percent of parity the increase in acres planted will likely be less. Returns from soybeans will likely be less the first year. Farmers will be able to keep productive land in high-value crops.

Serving The Soybean Industry



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Late News

Published 32 times yearly as a service to the soybean industry.

Hudson, Iowa, Oct. 10, 1953

WHAT IS 1953 CROP YIELD?

By the time you receive this the much anticipated Oct. 1 crop report of the U. S. Department of Agriculture will be out. We do not know what it will show for soybeans, but the almost universal expectation is that it will be below the 280-million-bushel national crop forecast Sept. 1. **The latest Galvin report places the bean crop at 265 million bushels, and other private forecasters are in general agreement.**

The crop deteriorated in many areas in September—severely in southern Iowa, southern Illinois and Missouri. It improved in few areas. Drought is described as covering an area 400 to 500 miles deep from north to south and running from mid-Kansas and Nebraska east to the Atlantic Coast. **Almost all the soybean belt lies in this area.** Iowa, southern Illinois, southern Indiana, southern Missouri, northeast Arkansas and west Tennessee, had 25 percent of normal rainfall or less during the seven weeks ending Sept. 28. **Only in very limited areas do our reporters see 1953 yields as coming up to 1952.**

DROUGHT DAMAGE

Many soybeans in Missouri will not be harvested since the yield is too light, J. Ross Fleetwood, University of Missouri agronomist reports. Heavy abandonment of the crop due to drought is reported in the Clayton area of North Carolina, and considerable shattering in Missouri and Oklahoma.

HARVEST IS WELL ALONG

Harvest will be about over in Illinois when you receive this report, and well along in all the north central soybean belt. It will be later farther south, also in Minnesota and Ontario. Present status of the harvest according to our latest reports (Sept. 28 to Oct. 2), percent harvested: Alabama, west Florida, South Carolina, North Carolina 0; northeast Arkansas 1-5; central Illinois 90; Indiana 30; north central Iowa 80; Kansas 80; northeast Louisiana Delta 18-20; Ohio 10-50; Minnesota 5; Lincoln County, Mo., 50; Humphreys County, Miss., 60-70; Miami, Okla., 75. (For more complete earlier crop report see pages 17 and 18.)

PRICE SUPPORTS

A meeting of the Secretary of Agriculture's soybean and flaxseed advisory committee was held in Washington Oct. 8 to consider the government's price support program for 1954. Soybean men on the committee include Ersel Walley, ASA director, Fort Wayne, Ind.; Willard Latham, Alexander, Iowa; and Don Fish, Maynard, Iowa.

Our reports are that the lower price support advocates in USDA are winning out and that **75 percent of parity for soybeans is most likely next year.** September parity is figured at $2.76, and 75 percent of this is $2.07, national average.

LARGE PART BEING STORED

Our reporters continue to indicate that an exceptionally large part of the crop is being stored—as much as 75 percent in some localities in Iowa, Illinois, Indiana and Ohio. **Willard Latham, Alexander, Iowa, says 85 percent of soybeans are being received by local elevators in his area for storage.** One northeast Iowa elevator has bought only 140 bushels of 150,000 bushels taken in.

Producers in the North Central areas are adopting a wait-and-see attitude toward a government loan. It is possible **there may not be a heavy movement under the loan program if prices should go above supports between now and Jan. 31.** But we are told producers in many southern areas are prepared to take advantage of the government's loan program almost 100 percent if they consider the price too low at harvest time.

QUALITY IS GENERALLY GOOD

There are many reports of soybeans being a little small and having a green tinge due to drought **though quality is generally good** in above areas. But quality is below average in many southern and southwestern areas due to drought. A Kansas report: test weight 54-56, moisture 8 to 10 percent, foreign material 2 to 8 percent, splits 10 to 20 percent.

PRICE OUTLOOK

The 1953 soybean crop should move at or above the support level of $2.56 if a good-sized volume of soybeans goes into storage and orderly marketing practices are followed, USDA spokesmen believe. A total supply for the coming season fairly close to 286 million bushels, **10 million less than 1952-53,** is present Washington thinking.

The protein meal supply outlook also has changed. Prospective total supply for the 1953-54 season may be 100,000 tons or more below last season. A drop in soybean meal supplies and belief that lower U. S. meal prices will discourage imports are main reasons. **Some strengthening in meal prices is now believed likely—in spite of low corn prices.** (See Washington Digest page 28 for full report of Washington outlook.)

	Cash price to farmers for No. 2 soybeans Oct. 2	Retail cash price bagged soybean oil meal Oct. 2
Ill.	$2.46	$79
Iowa	2.32	
Kans.		78
Ky.	2.36 (No. 1)	74
Miss.	2.32	64
Mo.	2.33	82
N. C.	2.10 @ $2.55	80
Ohio	2.33 @ 2.35	80
Okla.	2.28	85
Tenn.	2.35	70
Ontario	2.26	

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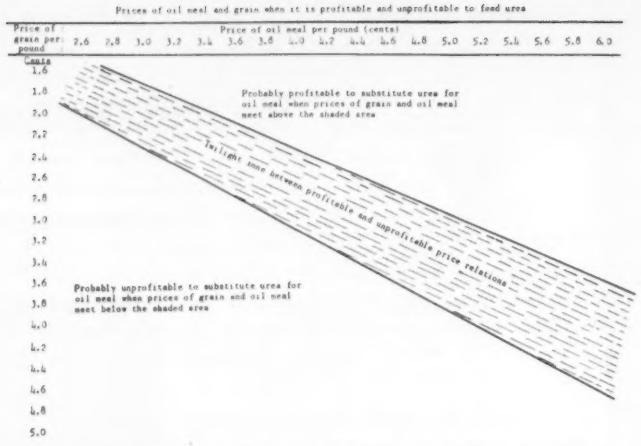
Does Urea Threaten the Market for Soybean Oil Meal?


Prices of oil meal and grain when it is profitable and unprofitable to feed urea
Price of grain per pound
Price of oil meal per pound (cents)
2.6 2.8 3.0 3.2 3.4 3.6 3.8 4.0 4.2 4.4 4.6 4.8 5.0 5.2 5.4 5.6 5.8 6.0
Cents
1.6
1.8
2.0
2.2
2.4
2.6
2.8
3.0
3.2
3.4
3.6
3.8
4.0
4.2
4.4
4.6
4.8
5.0
Probably profitable to substitute urea for oil meal when prices of grain and oil meal meet above the shaded area
Twilight zone between profitable and unprofitable price relations
Probably unprofitable to substitute urea for oil meal when prices of grain and oil meal meet below the shaded area

JENNINGS' GRAPH to determine whether the price relation of oil meal and urea is such that it would be profitable to feed urea. Find the price of oil meal in the top line and draw a line down from it. Find the price of grain per pound in the left-hand column and draw a line from it straight across the paper to the right. If the two lines meet to the right of the shaded area it would probably be profitable to use urea.

● *The editors are the first to agree that any conclusions reached by this article are very tentative. New developments are coming too rapidly. We have made no attempt to size up the market for ammoniated byproducts made from corncobs, molasses, citrus pulp and other farm product wastes just now coming on the market. They work about like urea and they may be cheaper. Nor can we tell what the effect may be of predigestion of rations containing urea to make them available for hogs and poultry. These or other developments may possibly change the outlook completely.*—EDITORS.

(Staff Written)

THE USAGE OF urea in cattle feeds has shown a big expansion in the last several years. It is expected to expand still further in the years ahead. Urea replaces protein in the ration. Is it cutting into the market for soybean oil meal?

There are no statistics on usage of urea. The Soybean Digest asked some feed manufacturers, a Bureau of Agricultural Economics statistician, and the Du Pont Co., manufacturer of "Two-Sixty-Two," what the total tonnage of urea consumed by ruminants in 1952 was. They variously estimated it at 35,000 to 70,000 tons.

When it is remembered that each ton of urea can replace at least six tons of soybean oil meal or other oilseed meal it is apparent that it has already bitten into quite a chunk of the oil meal market. If the above estimates are right from 210,000 to 420,000 tons of soybean oil meal could have been replaced by urea.

Since soybean oil meal production in the 1951-52 year was 5.7 million tons, it is plain that urea has already absorbed the potential market for from 3 to over 7 percent of soybean oil meal production.

Urea's impact is brought out even more graphically by Walter Hammond of the department of chemurgy, University of Nebraska. Hammond has made a study of urea usage in Nebraska, one of the leading cattle-feeding states, and also of the markets for oilseed meals in that state. (See Nebraska Bulletin 507 and Chemurgy Department Report No. S-7.)

Hammond estimates that 3,500 tons of urea were used in mixed feeds produced in the state in 1952. This is the equivalent of 21,000 tons of soybean oil meal.

From Hammond's report we infer that about 78,000 tons of oilseed meal were fed to ruminants in Nebraska in 1949, and that soybean oil meal constituted about two-thirds of this, or 52,000 tons. So it is evident that the urea fed is already equivalent to one-third of the oilseed meals fed to ruminants in Nebraska, and to one-half of the soybean oil meal.

Feed manufacturers see a further expansion in urea production and usage in the near future. They say more urea would have been fed during 1952 when soybean oil meal was scarce and high-priced as compared to now, if it had been available. Two new plants for the production of urea are now under construction. A considerable increase in productive capacity of urea the next few years in connection with the expansion of fertilizer capacity is expected. Indications are that urea will be fairly plentiful in the near future.

What Are Boundaries?

The amount used in the livestock feeding industry will undoubtedly depend on:

1—Its availability.

2—Price factors. Will it pay to feed it?

What will be the eventual impact of urea on the market for soybean oil meal? This is a question that can't be answered with much assurance yet. We can't set any boundaries to its usage and be sure they will stick.

* * * * *

Before we try to answer the question even tentatively it is well to re-

call what urea is. It is a white crystalline substance, a nitrogenous compound.

Urea as such has no feeding value whatever. In fact, it is unpalatable and poisonous to livestock if consumed in quantity.

Before it can be utilized by the animal the nitrogen must be converted into amino acids. Hogs and poultry have no facilities for accomplishing this. But it can be done in the rumen of cattle, goats and sheep. There the rumen microorganisms feed on the urea and also carbohydrate feeds present and convert them into amino acids. The rumen microorganisms can build up all 10 of the so-called essential amino acids from urea. Farther down in the intestinal tract the microorganisms are digested by the animal itself and so use is made of the protein.

But except for the nitrogen urea has no feed value at all, even for bacteria. *They* must be fed a balanced diet, which includes mainly highly digestible carbohydrates. Corn or molasses appear to be the best urea supplements because of their readily digestible carbohydrate content. Also some vitamins and minerals should be supplied.

So when soybean oil meal is replaced by urea, corn or molasses must be added.

Meal Replacement

Usually one pound of urea is added to six pounds of corn (or equivalent) to replace six or seven pounds of soybean or other oilseed meal. So whether it will pay to feed urea depends on whether one pound of urea plus six pounds of corn costs more or less than six pounds of soybean oil meal.

If six pounds of soybean oil meal cost considerably more than the urea-corn combination then it may pay the feed manufacturer to change his formula to add some urea. If the cost is about the same or less then there is no inducement.

The rough rule of thumb in the trade is that when and where soybean oil meal costs one and one-half to twice the price of corn it may pay to use urea.

Ralph D. Jennings of the Bureau of Agricultural economics has made an interesting yardstick by which you can tell at a glance the prices at which it will pay to feed urea. (See the graph on page 14.)

As Jennings brings out, this depends on the region as well as the year, for prices of grain and meal vary by regions. It is most likely to be profitable to feed urea in the western Cornbelt and Great Plains, least likely in the South. The Northeast lies between the two regions so far as profitable feeding of urea is concerned.

In two years out of the last ten it would have paid to feed urea in Illinois; in California it was profitable three years out of ten; and in Colorado it would have paid all of the last 15 years.

So whether it will pay to feed urea depends entirely on the price and availability of such items as grains, molasses and soybean oil meal, as well as urea. In Nebraska last year it did pay, when mixed feeds containing urea could sell at $8 to $10 below similar supplements without urea.

Not all this is a dead loss for soybean oil meal, of course. Rations often employ both soybean oil meal and urea. In fact, F. M. Jornlin of the Du Pont Co. points out that use of urea may actually increase soybean oil meal consumption by lowering the cost of a ration enough to substantially increase its sale.

* * * * *

There are some apparent limitations to urea usage to keep in mind. Much of the livestock market, including that part where soybean oil meal is strongest, it may not be able to touch.

1—Urea as such is good only for adult ruminants. Unless it is predigested, it is of no value for poultry and swine, where the largest usage for soybean oil meal lies, and where soybean oil meal is most popular. It is true that a low-protein ration including urea can be "digested" by running through an artificial rumen. The resulting higher-protein product can apparently be fed to hogs and poultry with good results. Whether this will be practical and economical remains to be seen.

2—It is of no value to calves or lambs until their paunches have developed.

3—Even in ruminant feeds urea should not constitute over 3 to 5 percent of the ration and not over one-third of the protein to avoid ill effects, according to present recommendations. These, of course, may be changed in light of later knowledge. At present two-thirds of the protein must be supplied by other ingredients. If low quality roughages are used with urea, some soybean or other oil meal is needed as well.

4—Extreme care must be used in mixing urea into the ration to avoid poisoning the stock. A mechanical mixer and accurate controls are needed. This rules out most feeders who mix their own rations. Only feeders who buy commercially-mixed feeds will consume urea. Feeders who buy supplements to add to their farm grains will not buy urea unless they buy it already mixed with molasses or similar products. Of course, it is possible that the use of urea will at times make mixed feeds look more attractive price-wise in comparison with farm-mixed rations.

5—Urea fits best into a low-quality ration. For best results the true protein content should be low and the starch content high.

Some feeding specialists see urea as of primary importance as a supplement in breaking down the starches in low-quality roughages such as cornstalks. It is valuable for wintering over stock rather than for putting on high finishes, they say. In this kind of ration urea will be fed with an oil meal rather than as a complete replacement for it.

So urea is ruled out, at least for the time being, of non-ruminant feeds, the major field for soybean oil meal, feeds for young ruminants, and possibly for the better quality rations for

UREA will undoubtedly play a part in ruminant rations from now on. But it is only one more competitor in the protein market.

cattle on full feed or for highest producing milk stock. It is not usable by those feeders who mix their own rations, and where grains are high-priced in comparison with soybean oil meal. And at present it should not supply over one-third of the protein in the ruminant ration even where the market is right.

* * * * *

Before we become too concerned about the threat of urea to the market for soybean oil meal we should remember two facts:

1—With production of soybean oil meal likely to be at least equal to demand for some time to come, soybean oil meal should be able to hold its own pricewise with urea. There should be little inducement for an increased volume of urea in feeds.

So assuming a good demand for protein supplements urea will merely serve to stretch available supplies of proteins. R. M. Bethke of Ralston Purina Co., St. Louis, anticipates by 1960 a need of 1 million tons (or 17 percent) more of soybean oil meal than was produced in 1950-51 to take care of livestock feed needs. This allows for an increase of 20 million in the population in the decade, with need for increased livestock numbers.

But whether livestock is fed up to nutritional yardsticks will depend on whether it will *pay* to do so. Price relationships may have more effect on the amount of protein supplement fed than any yardstick.

2—Soybean oil meal competes not only with urea, but also with every protein on the market. This includes other oil meals such as cottonseed and linseed, and animal proteins. It also includes the proteins in grains, mill feeds, and high-quality hays and pastures. Urea is just one more source of competition.

To Raise Soybean Trading Limit

THE COMMODITY Exchange Commission has issued notice that it proposes to raise the limit on daily speculative trading and net positions in soybean futures from 1 million to 2 million bushels. This is the limit now in effect on wheat, corn, and oats.

The Commission's action followed hearings opened in Chicago July 13, when representatives of the soybean processors, the Chicago Board of Trade and others asked for larger trading limits on both soybeans and soybean oil.

Limits do not apply to bona fide hedging transactions.

CEA has now set Oct. 10 as the deadline for interested parties to file supplementary briefs or statements. They should be addressed to: Presiding Officer, Hearing Docket CE-P 10, Commodity Exchange Authority, U. S. Department of Agriculture, Washington 25, D. C.

A further hearing will not be held unless specifically requested.

J. M. Mehl, administrator of the CEA, said the higher speculative limit is being recommended in view of the increased maturity of the soybean futures market and the well-sustained volume of trading in the commodity over the past two years.

"The Commission's order establishing the 1-million-bushel speculative limit for soybeans was issued Aug. 13, 1951," Mehl said. "This action followed the turbulent soybean futures market of 1950, when feverish speculative activity and wide price fluctuations at times rendered the market unserviceable for hedging purposes.

"Soybean futures trading has grown more orderly over the past two years. The volume of soybean futures trading on the Chicago Board of Trade has equalled or exceeded the volume in wheat, and has been larger than in corn and oats."

—s b d—

SK DEPARTMENT HEAD

JAMES I. MATTHEWS

Spencer Kellogg and Sons, Inc., announces the appointment of James I. Matthews, sales manager, edible oils, a newly-created department handling the sale of crude and edible soybean oil including shortening, coconut oil and cottonseed oil.

Matthews became associated with the company in 1935 as an assistant in the cake and meal department. He assumed the duties of manager of the linseed oil trade sales department in August 1945 and in May 1951 was appointed assistant manager of the soybean, coconut and castor oils department.

Matthews will be assisted by James Willis.

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Soybean Crop Deteriorates Further

WITH THE soybean crop movement under way over most of the soybean belt by late September —though the heavy movement was still to begin in the more northern areas as well as in the Midsouth—some observers were inclined to believe that the government would have to scale down its national forecast from the 279.7 million bushels estimated Sept. 10. (And the Sept. 10 report was cut 15 million bushels under the August estimate.)

Drought conditions were very widespread in late August and September and the yield outlook deteriorated considerably, more than could have been reflected in the government report which was made up Sept. 1. Crop was beginning to move earlier than normal most places due to the dry weather.

Only exceptions to the droughty conditions were in the northern fringes of the soy belt. And only our Minnesota and North Dakota reporters indicate yields as high or higher than 1952. However, there will still be a good crop in northern Iowa, central and northern Illinois and Indiana and Ohio, though not as large as in 1952. The Midsouth took an especially hard rap in September, and yields are now estimated as being cut from 10 to 40 percent under our last reports.

Quality of the first soybeans coming to market was generally a little below normal, with widespread reports of a green tinge. Moisture content was mostly low and test weight was light.

A strong holding movement by producers apparently was developing, with a large percentage of the crop going into farm or elevator storage in the main producing areas in Iowa, Illinois, Indiana and Ohio. Perhaps half or more of the crop is being held in storage in these states, our reporters say.

U. S. Department of Agriculture's Sept. 10 estimate is 4 percent below the 292 million bushel crop of last year and is the smallest since 1949. The record crop of 299 million bushels was harvested in 1950.

USDA expects an average yield of 19.5 bushels per acre this year, well below the 20.7 bushel average of last year and slightly under the 10-year average of 19.7 bushels per acre.

Canada's 1953 soybean crop is forecast at 4,752,000 bushels as of Sept. 1, according to the Dominion Bureau of Statistics. This exceeds the 1952 crop by 624,000 bushels or 15 percent and is a new record.

Spot reports from our correspondents:

Arkansas

L. M. Humphrey, R. L. Dortch Seed Farms, Scott, for central (Sept. 19): Maturity a few days early due to very hot dry weather. Crop movement will begin about Sept. 25. Yield per acre about same, total lower than 1952. Seems likely soybean seed supply for next year will be very short.

Jake Hartz, Jr., Jacob Hartz Seed Co., for south and southeast (Sept. 21): Dry from July 21 to Sept. 18. Rain on Sept. 18 of one-fourth to one and one-half inches. Harvest begins on early varieties Oct. 1; midseason varieties Oct. 20. Yield outlook 25 percent less than 1952.

Illinois

J. E. Johnson, Champaign, for Champaign and adjoining counties (Sept. 20): Maturity at least week in advance of any previous year. Some sections have been combining two weeks, others just getting into full swing. Due to extreme heat without rainfall quality of soybeans very much below normal. Moisture content will average around 11 percent. Have set Champaign County at 25-bushel average for the 1953 crop. Adjoining counties should go at least 22 to 23 bushels.

C. G. Simcox, Assumption, for south central (Sept. 19): If beans are going into storage everywhere like in this locality it will definitely affect price. Largest amount going into storage in history: 50 percent on farms, 15 percent in elevators.

Indiana

Chester B. Biddle, Remington, for northwest (Sept. 19): Maturity of crop 10 days earlier than normal. Has been extremely dry. Crop movement began Sept. 15. Some beans with greenish cast. Yield down slightly as compared with 1952.

Iowa

Robert Overton, Knoxville, for Marion County (Sept. 13): Maturity week to 10 days ahead of normal due to extremely dry weather. Movement to begin last of September. Yield outlook 10 percent less than 1952. Twenty-five percent will be stored on farms.

Minnesota

Henry Leitschuh, Sleepy Eye (Sept. 18): Maturity of crop about 10 days earlier than normal, due to hot weather. Crop movement began Sept. 10. Quality of beans very good. Yield about same as 1952. Twenty-five percent will be stored on farms and elevators will be filled.

Mississippi

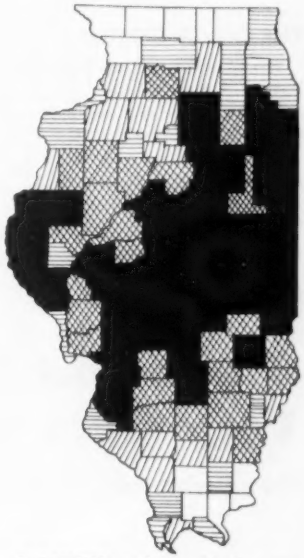
William King Self, Riverside Oil Mill, for north Mississippi Delta (Sept. 19): Maturity of crop late. Very dry. Crop movement on early beans began week ago. Main movement Oct. 1. Some green tinged beans. Damage small. Yield outlook 25 percent of 1952. One-third of crop will be stored on farms and go under government loan.

Missouri

Maurice Maze, Mexico, for northeast (Sept. 19): Since last reporting weather has been very hot and dry and has cut yields heavily. Crop movement began first week of September. Quality of soybeans poor to fair. Many green tinged but damage not too extensive. Yield outlook 60 percent of last year. Eighty percent of crop will be stored and go under government loan if can find storage.

Ohio

E. M. Weicher, assistant manager, Delphos Grain & Soya Products Co., Delphos, for northwest Ohio and northeast Indiana (Sept. 19): Movement began past week on very early varieties. Main harvest in 10 to 14 days. Quality of beans harvested to date poor. Green damage. Yield out-



ILLINOIS soybean producing areas, 1952 crop year. White areas, less than 100,000 bushels per county. Horizontal lines 100,000 to 300,000 bushels. Slanted lines, 300,000 to 500,000 bushels. Cross lines, 500,000 to 1 million bushels. Black, over 1 million bushels. Illinois leads the nation in soybean production.

look about same as 1952. Beans in reporting sections not materially hurt by dry hot weather. At present price level over 50 percent will be stored on farms, 15 to 20 percent in elevators. No rush to put crop under loan. Farmers will hold back hoping for better price until loan deadline.

SOYBEANS FOR BEANS

State	Yield per acre			Production		
	Average 1942-51	1952	Indicated 1953	Average 1942-51	1952	Indicated 1953
	Bushels			1,000 Bushels		
N. Y.	16.1	17.5	18.0	145	88	90
N. J.	17.3	20.5	19.0	269	410	418
Pa.	16.0	19.0	16.0	450	361	320
Ohio	20.2	22.0	22.5	20,971	20,680	21,712
Ind.	20.3	23.5	23.0	30,171	38,493	39,629
Ill.	22.4	24.0	23.0	78,829	85,128	83,398
Mich.	17.8	19.0	20.5	1,773	1,748	2,316
Wis.	13.4	17.0	15.5	523	816	775
Minn.	15.7	19.0	19.5	10,914	21,945	26,618
Iowa	20.4	25.5	22.5	35,181	37,587	34,875
Mo.	17.7	19.0	14.0	14,803	32,756	26,096
N. Dak.	11.2	12.5	12.5	147	362	288
S. Dak.	14.3	15.0	17.0	434	1,275	1,496
Nebr.	19.0	26.0	18.0	652	2,288	1,944
Kans.	12.6	11.5	8.0	3,310	7,360	4,008
Del.	13.2	17.0	15.5	658	986	1,023
Md.	14.5	18.0	17.0	739	1,350	1,615
Va.	16.1	17.0	15.0	1,791	2,958	2,550
W. Va.	14.2	15.0	14.0	19	15	14
N. C.	13.4	16.5	15.0	3,434	4,785	3,885
S. C.	9.6	11.5	12.5	353	1,127	1,262
Ga.	8.8	10.5	11.0	130	336	396
Fla.	—	20.0	20.0	—	240	240
Ky.	16.6	15.5	17.0	1,690	1,767	1,853
Tenn.	16.7	20.0	18.0	1,904	3,620	3,222
Ala.	15.4	19.0	21.0	766	1,748	1,848
Miss.	15.2	13.5	13.0	2,986	6,142	4,615
Ark.	16.9	16.0	16.0	5,799	13,856	11,728
La.	14.0	14.5	17.0	464	594	663
Okla.	9.7	10.5	12.0	207	861	828
U. S.	19.7	20.7	19.5	219,596	291,682	279,725

USDA crop reporting board for Sept. 1.

—s b d—

THE COVER PICTURE

The little girls on the cover don't know it, but one of the reasons that candy bar tastes so "smooth" is because of the lecithin that is in it.

Soybeans in the past have been given wide credit for many uses to which they have contributed little. Steering wheels, for instance. And automobile license plates.

On the other hand, the public knows all-too-little about some of the real outlets for soybeans. Fatty acids are one example. (See the article in this issue.) Lecithin is another.

Lecithin's ability to make water and fat mix more readily is what makes it almost endlessly useful in both food products and in industry. Among its most important outlets are margarine, baked goods, candies and cosmetics, and also paints and printing inks. Lecithin is also very valuable in retarding oxidation in a wide variety of products.

Soybeans are almost the only commercial source of lecithin. In fact, lecithin was little more than a laboratory curiosity until the discovery was made that it could be produced in large quantities at low cost from soybeans. Before that it was prepared from egg yolk and brain tissue but the cost was high.

Lecithin is offered to the trade in various shades and consistencies, from light to dark and liquid to solid.

The picture was obtained through the courtesy of General Mills, Inc.

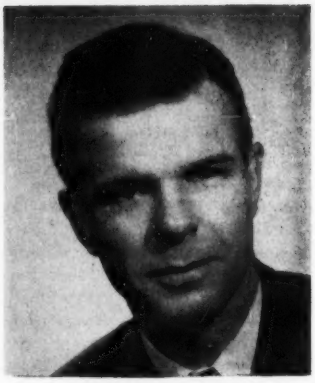
—s b d—

STALEY FEEDS EXPAND

The A. E. Staley Manufacturing Co., Decatur, Ill., has announced plans have been completed to expand distribution of its complete line of Staley's Feeds market by market and eventually on a nationwide basis. Other Staley feeds, however, have been marketed throughout the country for a number of years.

The announcement was made jointly by Clyde W. Thompson, sales manager, and A. E. Staley, III, advertising manager, of Staley's soybean division.

ELECTED ANDERSON VP



JOHN W. DUNNING

Dr. John W. Dunning has been elected vice president in charge of sales and research of the V. D. Anderson Co., according to an announcement by Carl W. Zies, president.

In this capacity, Dr. Dunning will be in charge of domestic and export sales and continue to direct the research activities of the Anderson laboratories and pilot plants. Dr. Dunning is considered one of the leading authorities on vegetable oil extraction in the United States.

Joining the V. D. Anderson Co. in 1948, Dr. Dunning has been research director of the company for the past five years and was instrumental in Anderson's outstanding achievements in the development of the solvent extraction and Exsolex processes, as well as heavy duty high capacity Expellers.

Zies also announces the appointment of James B. Carpenter as export sales manager. Dan W. Crane is sales manager of the domestic division.

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CARL H. SMITH GEO. K. DAHLIN HUGH B. ELLSWORTH

Unquestionable Proof...

Results Mill A

Commodity	Soybeans	Cottonseed
Tons/Day	192	307
Res. Oil %	0.62	0.3

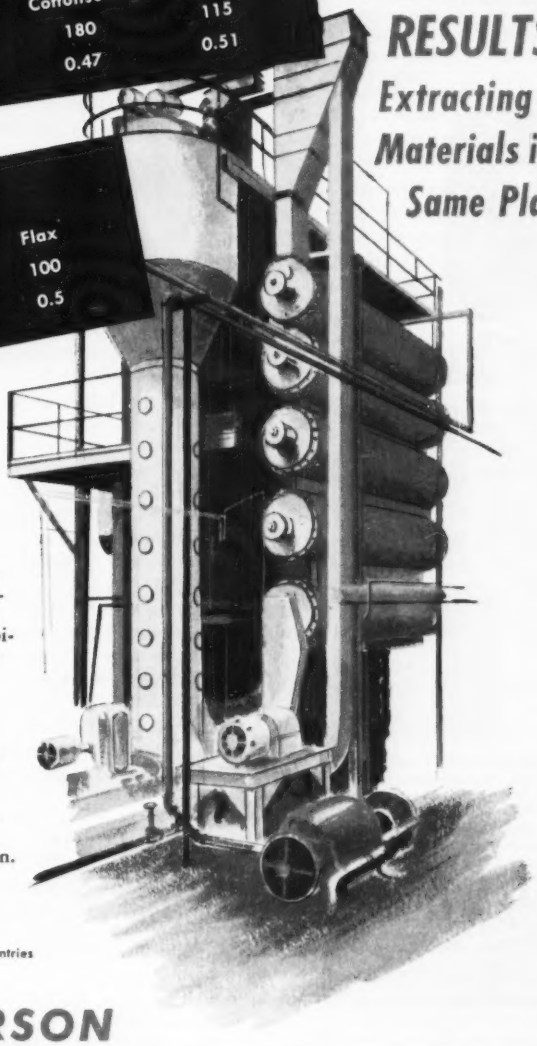
Results Mill B

Commodity	Cottonseed	Peanuts
Tons/Day	180	115
Res. Oil %	0.47	0.51

Results Mill C

Commodity	Soybeans	Flax
Tons/Day	100	100
Res. Oil %	0.7	0.5

...PROVED RESULTS of Extracting Two Materials in the Same Plant



● Facts are unquestionable proof. These production figures indicate beyond doubt that Anderson's patented Exsolex* system profitably handles two or more materials . . . extracting more quality oil with a lower residual oil content than any other system. These figures from three mills, handling different combinations of four different materials are an entire season's average—not just a few days production. Only with such versatility can an oil miller keep his plant operating for longer periods of the year, capitalizing on supply and market conditions. Plan now to obtain profitable results like these from your own oil milling operation. Write, wire or phone today asking an Anderson engineer to help you survey your situation.

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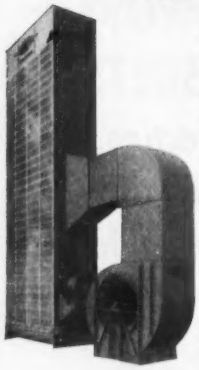
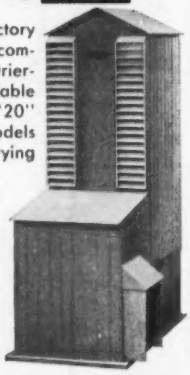


Grain Driers are custom-built units drying and cooling up to 1000 or more bushels per hour.

SHANZER ECONOMY



is a factory prefabricated combination Drier-Cooler available in "10", "20" or "30" models for drying capacities of from 150 to 600 bushels per hour.

All SHANZER Driers employ tremendous quantities of low-temperature warm air, forced through free-flowing, non-clogging woven wire screen grain columns, for gentle, uniform, economical drying. Complete data and prices on request.

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PUBLICATIONS

For a complete list of books on the soybean crop and industry and related subjects drop a postcard to Circulation Department, Soybean Digest, Hudson, Iowa.

INSECTS. Effective control of the velvetbean caterpillar, now damaging soybeans and other crops in the South, can be had with insecticidal dusts containing DDT, methoxychlor, or toxaphene, U. S. Department of Agriculture entomologists report. Complete control recommendations are included in a new Department publication, The Velvetbean Caterpillar—How to Control It.

The publication was prepared by USDA's Bureau of Entomology and Plant Quarantine, utilizing information provided by scientists in southern agricultural experiment stations and the Bureau, who have proved the effectiveness of these methods of control. Insecticide treatments boosted Louisiana soybean yields an average of 15 percent.

The entomologists recommend that any one of the insecticides be applied to infested crops a few days after the eggs hatch—as evidenced by tiny caterpillars feeding on the leaves near the top of the plants. Treatment should be repeated in 10 days if eggs continue to hatch.

Recommended dosages are: 3 or 5 percent DDT dust at 20 pounds to the acre; 5 percent methoxychlor at 20 pounds to the acre; or 10 percent toxaphene at 15 pounds to the acre.

LEAFLET 348, THE VELVETBEAN CATERPILLAR—HOW TO CONTROL IT. Office of Information, U. S. Department of Agriculture, Washington 25, D. C.

VARIETIES. Dorman is now recommended instead of S-100 as an early variety to extend the harvest period or for rotations where special maturity is desired by the Arkansas Agricultural Experiment Station for that state.

Very early varieties are not generally recommended for Arkansas but where grown, Perry or Wabash are suggested.

For early midseason varieties the station recommends Ogden and Arksoy, with Ogden slightly superior in yield and oil content.

The late midseason varieties Volstate and Roanoke are recommended as adapted in the southern part of the state.

Most resistance to bacterial pustule and blight is shown by Dortchsoy 2, Hale Ogden 2 and Ogden. Least is shown by Lincoln, Arksoy 2913 and Dortchsoy 7.

Most resistance to wildfire is shown by Dortchsoy 2 and Ogden, least by Gibson, Dortchsoy 7 and Dortchsoy 31.

SOYBEAN VARIETAL TRIALS IN ARKANSAS 1949-52. By P. E. Smith. Report Series 36. Agricultural Experiment Station, University of Arkansas College of Agriculture, Fayetteville, Ark.

HAZARDS. Underwriters Laboratories, Inc., has conducted an investigation to determine the spontaneous ignition and dust explosion hazards of soybean oils, soybean oil meals, soy flours and also dusts and screenings.

The soybean oils heated spontaneously and ignited at ambient temperature of 210° F.

The spontaneous ignition hazards of soybean oil meals and soy flours appear to depend primarily on the amount of soybean oil present in these products. Full-fat and medium-fat soy flours heated spontaneously and ignited at 210° F.

Screenings from soybeans may present a spontaneous ignition hazard under some circumstances, depending on the amount of soybean oil and other oxidizable combustible material present in the screenings.

Like other common combustible agricultural products in a finely divided solid state, soybean oil meals, soy flours and soybean dusts and screenings are capable of an explosion when disseminated in air in sufficient quantities in the presence of a source of ignition.

THE SPONTANEOUS IGNITION AND DUST HAZARDS OF CERTAIN SOYBEAN PRODUCTS. Underwriters' Laboratories, Inc., 207 E. Ohio Street, Chicago, 11, Ill.

PROCESSING. Of the four major types of cottonseed oil mills, the prepress solvent type will usually return the largest profit per ton of seed crushed, the U. S. Department of Agriculture concludes on the basis of an extensive research study. This type of mill operates by first pressing much of the oil from the cottonseed and then extracting the rest with a chemical solvent.

Adoption of solvent extraction processes by some cottonseed mills led to a need for more information about the relative merits of the four principal types of mills—the hydraulic, screw press, direct solvent, and prepress solvent types.

Although the prepress solvent mill generally was found to be the most profitable, the researchers say this does not mean that such a mill is best under all circumstances.

COTTONSEED OIL MILLS: THEIR COMPARATIVE EFFICIENCIES AND EFFECTS ON PRICES AND PRODUCERS' RETURNS. Office of Information Services, PMA, U. S. Department of Agriculture, Washington 25, D. C.

DETERGENTS. Abundant supplies and stable prices of fats and oils make them an attractive raw material for manufacturing synthetic detergents and emulsifiers, the U. S. Department of Agriculture says in a research report. A detergent is a cleansing agent made from fats or chemicals and used like soap. An emulsifier permits oil and water to mix readily.

The report covers one phase of a study of possible ways of increasing the market outlets for inedible agricultural fats and oils. Use of these for making soap has declined in recent years, while detergents have been sold in increasing volume for use as cleansers where soap formerly was used.

DETERGENTS, EMULSIFIERS, AND EMULSION PRODUCTS AS MARKET OUTLETS FOR FATS AND OILS. Office of Information Services, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

DISEASES. Soybean diseases were fewer in number and less severe in Indiana in early August

"You don't make milk by stinting on the feed"

Thus simply, Secretary of Commerce Weeks stated in a recent address a profound business truth which is frequently overlooked.

"If the regulated industries are to render their full services to the nation," the Secretary said, "it is my judgment that the regulatory bodies must allow earnings adequate to attract and support the equity capital they can use effectively for economies, improvement and growth." And he observed further that "the courage and inventiveness that risks great sums for improvements and economies in the future does not naturally emerge from men who have not the credit to raise the money nor the assurance that they would be allowed a return on it when their dreams come true."

That has been the situation of the railroads. Earning a return on their investment which over the years has averaged less than 4 per cent, the railroads have not found it possible to attract the equity capital they could "use effectively for economies, improvement and growth."

Nevertheless, by drawing heavily on their reserves and by sharply increasing their obligations for the purchase of equipment on the installment plan, the railroads have put into service since the end of World War II more than 500,000 freight cars and almost 18,000 new diesel-electric locomotive units. For these and other improvements they have spent more than a billion dollars a year.

Such improvements mean not only better service to the public but also more efficient railroad operation, with costs and rates lower than would otherwise have been necessary. And as research opens up other possibilities, there will be other opportunities for railroads to make improvements which will mean still better service at the lowest possible cost.

To take advantage of these opportunities, the railroads will need not only "the courage and inventiveness that risks great sums for improvements and economies in the future," as Secretary Weeks said, but also the cash and the credit which, in the long run, can come only from "not stinting on the feed."

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than at any time since the annual disease survey was started in 1948, report Kirk L. Athow and Albert H. Probst of Purdue University. Athow and Probst made the survey Aug. 4-7.

Soybean mosaic was the only disease that was more prevalent this year than in the past. Four fields of the Clark variety examined appeared to have the highest percentage of mosaic infection.

Bacterial pustule was the most prevalent disease and was particularly heavy in the area from Lafayette to a point approximately midway between Worthington and Evansville.

Frog-eye leaf spot for the third year was not important in Indiana because of the use of the resistant varieties Wabash and Lincoln in southern Indiana. Downy mildew was much less severe than usual.

INDIANA SOYBEAN DISEASE SURVEY 1953. By Kirk L. Athow and Albert H. Probst. Mimeo BP-64. Purdue University Agricultural Experiment Station, Lafayette, Ind.

FERTILIZERS. Soybean plants grown on phosphorus-deficient soils are low in phosphorus content and this results in symptoms of phosphorus deficiency in rabbits fed the soybean plants, according to experimental results in North Carolina and New York.

DEFICIENCIES OF DIFFERENTIALLY PHOSPHATE FERTILIZED SOYBEAN FORAGES AS MEASURED BY RABBIT RESPONSES. By G. Matrone, W. W. G. Smart, Jr., F. W. Sherwood, and G. H. Wise, North Carolina Agricultural Experiment Station, Raleigh, N. C., and U. S. Plant, Soil and Nutrition Lab., Ithaca, N. Y. Fed. Am. Soc. Exp. Biol. Fed. Proc. Vol. 12, No. 1, part 1, pages 422, 423. March 1953.

MISCELLANEOUS

GENERAL REPORT ON MSA SOYBEAN PROGRAM FOR TAIWAN FISCAL YEAR 1952. By Y. H. Yang, Jr., specialist food and fertilizer division, JCRR. Chin. Amer. Econ. Co-op, Vol. 1, No. 11, pages 56-69, Nov. 1952. Purpose of the program is to provide edible oil to fulfill military and civilian requirements and to provide beancakes to farmers to encourage hog production.

UREA, A SATISFACTORY PROTEIN SUBSTITUTE IN RATIONS FOR WINTERING RANGE CALVES. By L. B. Embry and G. T. King. South Dakota Farm and Home Research, Vol. 4, No. 2, Winter 1953, pages 27-29.

UREA AS A PROTEIN EXTENDER FOR RUMINANTS. By T. W. Dowe. E. C. 256, University of Nebraska College of Agriculture, Lincoln, Nebr.

BURLAP AND THE FUTURES MARKET IN NEW YORK. 20-page booklet explaining facts about burlap and futures transactions. Commodity Exchange, Inc., 81 Broad St., New York 4, N. Y.

ABSTRACT OF THE BURLAP FUTURES CONTRACT. Commodity Exchange, Inc., 81 Broad St., New York 4, N. Y.

CONTROL OF WEEDS IN OKLAHOMA. By Wesley Chaffin. Circular 582. Oklahoma A & M College, Stillwater, Okla.

BOOKS

Book Covers Disease

The 1953 Yearbook of Agriculture, devoted to the subject of "Plant Diseases," was released officially Oct. 11, K. W. Kreitlow, senior pathologist for the U. S. Department of Agriculture, has announced.

Two U. S. Department of Agriculture pathologists, Howard W. Johnson, Delta Experiment Station, Stoneville, Miss., and Donald W. Chamberlain, U. S. Regional Soybean Laboratory, Urbana, Ill., prepared an excellent article on soybean diseases for the Yearbook. Examples of several diseases discussed in the article are illustrated in color plates.

The articles on soybean and other diseases are relatively non-technical and describe symptoms to look for as well as known measures for control of specific diseases.

The Yearbook presents a series of articles by outstanding plant pathologists. They are based on results of recent investigations into the types and causes of diseases that attack the plants and crops of America.

Thirty-two pages of color plates and many line drawings.

PLANT DISEASES, THE 1953 YEARBOOK OF AGRICULTURE. $2.50. Order from Superintendent of Documents, Government Printing Office, Washington 25, D. C.

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NEW PRODUCTS and SERVICES

LP GAS BURNERS. John Deere "60" and "70" tractors, specially-designed to burn liquefied petroleum (butane and propane), are now in production at the John Deere Tractor Works, Waterloo, Iowa.

These tractors develop essentially the same horsepower as the "60" and "70" with gasoline burning engines. They are factory designed to give maximum efficiency and economy on LP gas.

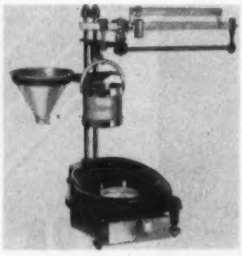
John Deere has also announced the introduction of a new crawler tractor now in production at the Dubuque, Iowa, plant. It replaces the three-roller model. And the firm has announced new 3-4-plow "60" standard and orchard models.

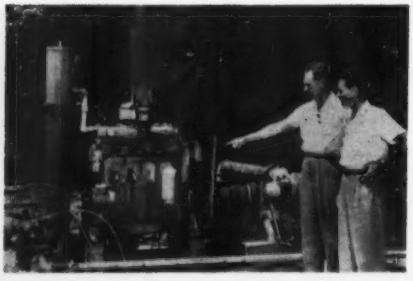
For further information write Soybean Digest 10b, Hudson, Iowa.

TESTER. Built in accordance with the U. S. Department of Agriculture specifications, the new model Boerner tester embodies the latest in engineering, materials, and many exclusive design features. Some of these are patented self-aligning agate bearings, Duralumin beam, light weight, high strength and maximum sensitivity.

This unit is now available at a reduced price.

Write to Soybean Digest 10c, Hudson, Iowa.





IRRIGATION. This comparatively small Diesel engine hooked to an irrigation pump stands by for action whenever a damaging drought threatens the crop of a soybean and flower farm near Memphis, Tenn. Pumping through a six-inch main to sprinklers, the unit can put up to 2,000 gallons per minute through a six-inch main over an area of 210 acres.

The installation was engineered and completed in one day for Walker Nurseries by Lewis Diesel Engine Co., GM Diesel distributors for Memphis. Observing the unit in action are Warren K. Walker, owner of the nursery, and S. P. Vinson of Lewis Diesel Co.

For further information write Soybean Digest 10c, Hudson, Iowa.

BAG HOLDER. The Han-dee bag holder is designed to streamline both manual and mechanical bagging. The holder, consisting of a wooden base and one fixed and one adjustable metal side post with rubber fingers to grip the bag, holds any size or type of bag open and upright, in position for filling.

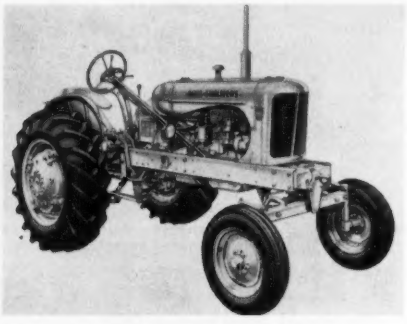
The bag can be instantly put on and removed from the device, but the rubber fingers prevent it from slipping off during the unloading. Particularly designed for the bagging of bulk commodities. Available in three models to fill all requirements.

For further information write Soybean Digest 10a, Hudson, Iowa.

INOCULANT. How an investment in 50-cents worth of legume inoculation applied to southern cover crops pays back from $6 to $18 per acre in nitrogen returns is described in a new bulletin just off the press.

Every farmer interested in carrying out a practical farm cover crop program on his farm this fall will want to send for this full-color, fact-packed bulletin at once in order to find which legumes will deposit the most nitrogen in his soil and pay the biggest returns for his money.

Write to Soybean Digest 10d, Hudson, Iowa.



NEW TRACTOR. Allis-Chalmers has just announced a successor to its popular model WD tractor, to be known as the WD-45. This is now in full production at the company's West Allis works.

The model WD-45 is distinguished by a completely new and more powerful four-cylinder "Power Crater" engine with a four-inch bore, four and one-half-inch stroke, 226-cubic-inch piston displacement, and 6.5 to 1 compression ratio. Engine speed remains at 1,400 r. p. m.

For further information write Soybean Digest 10f, Hudson, Iowa.

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Soybean crop in area is outstanding; Ideal sites for processing.

Fuel
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Generally good. Labor force of 400,000 in area. Heavy unemployment.

Transportation
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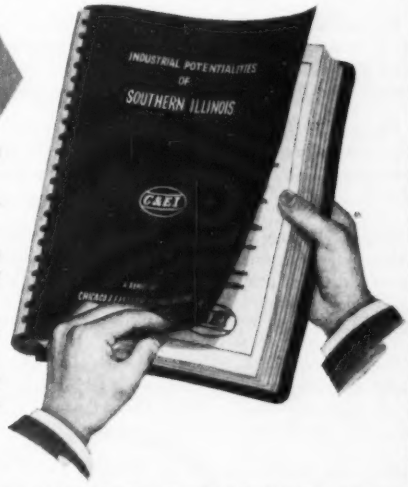
- An entirely new type of analysis-in-depth of management and labor relations.
- Detailed charts of energy consumption and rates for quickly determining electrical power costs for any type plant in the area.
- A directory of 3,500 businesses and industries in the region.

Your Consulting Engineering Firm will find this information of great value in analyzing Southern Illinois in relation to your needs.



Write in confidence to: Chief Economist,

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GRITS and FLAKES... FROM THE WORLD OF SOY

◆ Continuation of the operation of the Harry E. Surface Co., with complete equipment for soybean processing plants, grain elevators and similar plants, at 427 Board of Trade Bldg., Kansas City, Mo., has been announced. Harry E. Surface, head of the firm, died recently. Wendell H. Cloud is president and treasurer of the firm.

◆ Clyde H. Hendrix, head of the feed and soy division of Pillsbury Mills, Inc., at Clinton, Iowa, was the main speaker at the 10th anniversary program of Feed Institute, Inc., in Des Moines Sept. 10.

◆ O.L. Wigton, widely known farm equipment sales executive, has been named general sales manager of the Ford tractor division of Ford Motor Co. He joined Dearborn Motors Corp., formerly the national marketing organization for the Ford tractor and Dearborn farm equipment, in 1947. Promoted to assistant general sales manager in charge of field operations, the position formerly held by Wigton, is Russell B. Robins.

◆ *John F. Gale has been named editor of National Fertilizer Review, official publication of the National Fertilizer Association, Washington, D. C. Gale joined the association in 1950 as writer and economist.*

◆ Butler Manufacturing Co., Kansas City, Mo., announces the recent appointment of William H. Rowell as manager of the farm equipment division. He was formerly assistant regional farm equipment sales manager for Butler's Minneapolis division. He has been with Butler six years.

◆ Farmers Soybean Corp., Blytheville, Ark., announces the installation of a temperature control system in its seven storage tanks. The system is manufactured by Hot Spot Detector, Inc., of Des Moines, Iowa. Paul C. Hughes is manager of the 330,000-bushel plant at Blytheville.

◆ The Saline Mill Theater at Saline, Mich., recently in its first season, was a former soybean processing plant operated by Henry Ford and Ford Motor Co. until recent years. Ford preserved the colonial architecture of the original building and this makes a fine setting for a theater.

◆ *The new 500,000-bushel storage bins of Soy-Rich Products, Inc., Wichita, Kans., are scheduled for completion about Oct. 15. The elevator has a semi-trailer dump with a 70-foot platform, and two unloading sinks on the rail side.*

◆ Spencer Kellogg & Sons, Inc., announces the appointment of John F. Reid as sales representative of the Buffalo district handling the sale of the company's entire line of vegetable oils. He joined the company in 1944 as advertising consultant, has been trade sales representative at Buffalo since 1950.

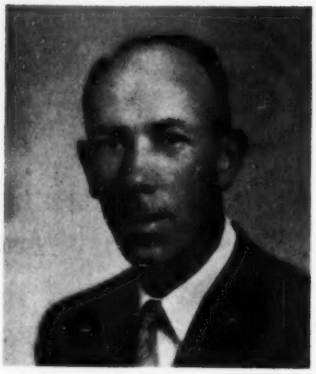
◆ Spencer Kellogg & Sons, Inc., announces the appointment of Robert C. Andler as trade sales representative working under Glen A. Spaulding, director of trade sales. Andler joined the company in 1950 and was transferred to the edible oils department in September 1952.

◆ Benjamin Sirota, partner of Sirota & Co., 60 Beaver St., New York, is serving as chairman of the produce exchange division in the current Sister Elizabeth Kenney Foundation appeal for funds.

◆ *William B. Goff has become associated with Sincere & Co., 231 S. La Salle St., Chicago, Ill., as manager of the firm's commodity department.*

◆ Philip L. Hauser, Lowell Manufacturing Co., Chicago, Ill., is the new president of National Sprayer and Duster Association, elected at the eighth annual meeting held July 30. He succeeds R. B. Chapin, the R. E. Chapin Mfg. Works, Inc., Batavia, N. Y.

JOINS SHANZER CO.



ROGER WILLIAMS

Roger Williams, newest addition to the sales force of the Shanzer Manufacturing Co. of San Francisco, has established his headquarters in La Salle, Ill., at 505 Bucklin St., from which central location he will serve the states of Illinois, Indiana, Kentucky and Wisconsin.

—s b d—

CHASE APPOINTEE

JAMES F. PORTER

The appointment of James F. Porter as manager of the Toledo plant of the Chase Bag Co. was announced recently by F. E. Gross, manager of the paper bag division.

In his new capacity Porter will be the manager of the Chase Bag plant in Toledo which produces both multiwall paper bags and flour, potato, and other small bags, and sugar pockets.

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Penola Hexane offers all these important advantages:

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WASHINGTON DIGEST

By WAYNE DARROW
Washington Correspondent for
The Soybean Digest

OUTLOOK. The outlook for soybean prices this season has improved as estimates of new-crop production have declined.

It's the difference between a surplus situation and a slightly below average supply position in terms of the last three marketing seasons.

The price at which the smaller 1953 soybean crop moves depends to a large extent upon how the crop is marketed, in the view of many officials here.

If a good sized volume of soybeans go into storage and orderly marketing practices are followed, most officials feel prices will rise to and probably above the average support level of $2.56 a bushel.

The official estimate of carry-over has been increased to 6 million bushels. Some officials think it may be as high as 8 million bushels. It's also felt that full damage to the crop may not have been reflected in the September estimate of 280 million bushels, and actual production may be a little lower.

A total supply fairly close to 286 million bushels now appears to be indicated. This compares with 296 million bushels last year, 286.7 million in 1951-52, and 302.2 million in 1950-51.

Exports of beans this marketing year are now calculated for worksheet purposes to be at least 25 million bushels compared with more than 30 million for the season just closed. The estimate of exports has come down about 5 million bushels due to the decline in crop prospects.

Carry-over stocks of soybeans are figured to be down to around the minimum of 4 million bushels a year from now, with total disappearance in the neighborhood of 282 million.

These are all rough preliminary figures used merely as guides and subject to revision as new data come in, but they give you the thinking here.

MEAL. The protein meal supply outlook also has changed. The prospective total supply for the 1953-54 season now may be 100,000 tons or more below that of last season.

Belief that imports will be much smaller is the principal reason. Carry-over stocks this fall are larger than last year. Production of some of the meals—such as flaxseed and peanut—will be greater this season. Cottonseed supply this year appears to be about the same as a year ago. But lower U. S. meal prices will discourage imports, officials believe. As things stand now, less than a third of the approximately 350,000 tons imported last season will be brought in this year, officials think.

Some strengthening of meal prices above the lows of this summer and early fall is now believed likely, even though low corn prices will tend to hold a damper on prices of other feeds.

Commodity Credit Corp. stocks of old-crop cottonseed meal are all but gone. CCC had around half a million tons of cottonseed meal last spring. Distribution at reduced prices in drought areas, sales to the trade, and exports have cleaned this up.

Officials say they don't want to dip into 1953-crop cottonseed meal to supply low-priced feed in drought areas if they can avoid it. However, if pressures develop to continue the program this may be forced.

Drought relief feed demand has tapered off some. Total number of counties eligible for drought aid is now down to about 300 compared with a peak of 441. Enough funds remain to continue the emergency feed program well into November.

OIL. CCC policy in handling its large stocks of cottonseed oil remains a dominant factor in the price outlook for all edible fats and oils this season.

CCC has announced it would not sell its stocks of cottonseed oil on the domestic market for less than 14 cents a pound, crude basis, from now through June 30, 1954. Export sales are on a bid basis.

Officials have given repeated assurances there would be no dumping. Also that it makes no sense to sell present stocks of oil and replace them with 1953-crop oil.

It's not a question of officials not meaning what they say. It's one of trade acceptance—whether processors decide to go about normal buying operations, or sit back and wait.

SUPPORTS. Price support for soybeans will be lower next year—75 to 80 percent of parity compared with 90 for the 1953 crop. An 80 percent support was recommended to CCC officials for the feed grains other than corn and for soybeans. However, Eastern dairy and poultry interests want a lower support figure, and the compromise may be around 75 percent.

Flaxseed support is to be ended next year because of the large surplus and big government stocks.

Seventy-five percent of parity for soybeans would be $2.08 a bushel, U. S. average; 80 percent would be $2.22.

No acreage controls are planned next year for soybeans or the small grain feed crops. Officials don't want price support to help encourage a shift of acreage from corn, wheat and cotton to soybeans and other crops.

EXPORTS. Officials census reports on U. S. exports for the fiscal year ending June 30, 1953, show exports of soybeans of 30,063,000 bushels for the 12-month period compared with 16,009,000 bushels the year before.

Soybean oil shipments were way down—122,015,000 pounds compared with 380,223,000 pounds in the previous year. Soybean flour shipments totalled 4,624,000 pounds against 7,242,000 pounds in the 1951-52 period.

Swift Celebrates 15 Years in Soybeans

ANNIVERSARY. Swift & Co.'s soybean mill managers celebrate the company's 15th year in the soybean industry. The festivities took place at the annual meeting of soybean managers in Chicago recently. Cutting the anniversary cake is N. P. Noble, manager of the company's first soybean mill at Champaign, Ill. Left to right, seated, are: C. D. Whitaker, manager at Des Moines; E. F. Czichos, division manager, Memphis; C. T. Prindeville, vice president in charge of oil mill operations, Chicago; and W. B. Stone, manager at Cairo, Ill. Standing are: H. F. Lester, oil mill department, Chicago; E. C. McGee, manager, Memphis; S. E. Cramer, head of oil mill department, Chicago; N. P. Noble, manager, Champaign; H. B. Parker, manager, Frankfort, Ind.; H. S. Byrds, manager of Fostoria, Ohio; and J. E. Dicks, manager at Blytheville.

Buy Soybeans on IOSA Contracts

AT LEAST one London firm is selling American soybeans to European buyers on Incorporated Oilseed Association contracts and another firm has indicated that it will do so, J. C. A. Faure, Unilever Ltd., has reported. U. S. firms that export American soybeans to Europe may be forced to follow suit.

The International Association of Seed Crushers' congress meeting in Scheveningen, Holland, recently requested IOSA to prepare a contract suitable for U. S. soybeans.

"Contracts of the Incorporated Oilseed Association are accepted throughout the world," Faure told the congress in reporting on the quality of U. S. soybeans. "Producing countries almost everywhere are satisfied that these contracts are fair, just and equitable to all parties. I see no reason why the U. S. exporters should not fall into line with shippers all over the world and agree to an internationally accepted contract rather than impose a contract that does not meet with buyers' approval.

"International commerce in oilseeds is now conducted on the basis of arrival sampling and analysis. This is the most generally accepted form of business."

Faure told the international crushers' association that he did not blame either U. S. producers or shippers for unsatisfactory U. S. soybeans in the past or for the fact that it has been almost impossible to buy No. 1 soybeans. He said the real cause of the trouble was the U. S. grading system that brings about blending of the different grades at terminals.

—s b d—

STALEY SUBSIDIARY

The formation of a wholly-owned subsidiary, Staley International, Inc., to handle the sale of its products in the Western Hemisphere outside the U. S. has been announced by the A. E. Staley Manufacturing Co., Decatur, Ill.

The new corporation, which will have offices in the Staley administration building at Decatur, is incorporated in Delaware. Its president is E. M. Bailey, Staley export sales manager since 1927.

Market Street

We invite the readers of THE SOYBEAN DIGEST to use "MARKET STREET" for their classified advertising. If you have processing machinery, laboratory equipment, soybean seed, or other items of interest to the industry, advertise them here.

Rate 10c per word per issue.
Minimum insertion $2.00.

FOR SALE—ALL MODELS ANDERSON expellers, French screw presses, flaking and cracking rolls, stack cookers, desolventizers, filter presses, Anderson rotary tube dryers, meal coolers. Pittock & Associates, Glen Riddle, Pa.

FOR SALE—15 ANDERSON EXPELLERS: 11 Duo's, 4 Super Duo's; 10 Shriver and Sperry Filter Presses 42 inches x 42 inches to 12 inches x 12 inches; 3 Louisville Steam Tube Dryers; 6 Ro-Ball and Rotex Screens. Consolidated Products Co., Inc., 16 Park Row, New York 38, N. Y.

POSITION WANTED—CHEMICAL ENGINEER graduate from Iowa State College. One year experience in soybean extraction plant supervision. Four years experience as Plant Superintendent of a chemical plant. Would like to return to the soybean industry. Age 34, married, 3 children. Write Charles L. Lee, 40 Dogwood Street, Park Forest, Illinois.

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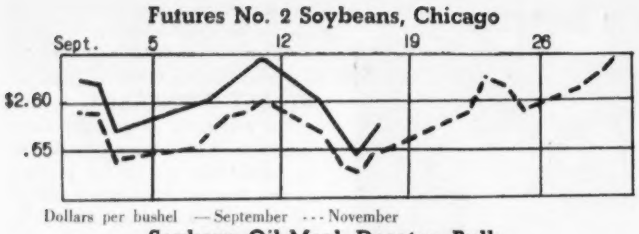
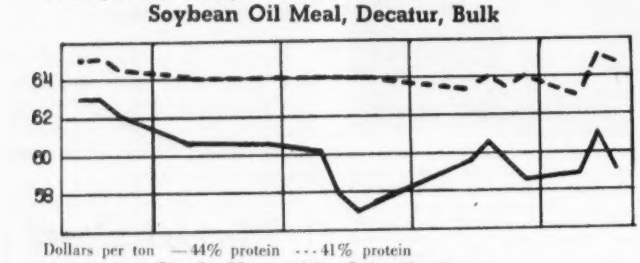
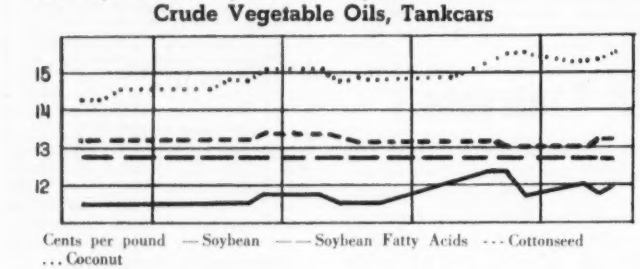


Dollars per bushel —September --- November



Dollars per ton —44% protein --- 41% protein



Cents per pound —Soybean — —Soybean Fatty Acids --- Cottonseed ... Coconut

September Markets

THERE wasn't any pattern to September markets and no definite trend was established—though beans, meal and oil seemed to be working into a stronger position at month's end. Soybean futures moved to the highest point since June.

Contributing to strength in beans, also meal and oil:

1—A considerably deteriorated crop prospect and the fact that the first soybeans coming on the market were of poor quality.

2—Considerable doubt that producers would sell the crop at current levels.

3—Talk of export business.

4—Nearby soybean oil supplies were tight in September due to the shut down of some processing plants.

5—The government's announcement that it would not sell cottonseed oil below 14 cents a pound and the Census Bureau report of higher soybean oil consumption also helped soybean oil.

6—Smaller soybean stocks at processing plants than a year earlier.

On the other hand the mixed feed business was slow with buyers holding off in the hope of lower ingredient prices.

Processors and feed mixers were said to be generally on the sidelines waiting for the market situation to clear up.

MEAL. Consumption of oilseed meals for the first three quarters of the 1952-53 marketing season totaled 6,850,500 tons compared with 7,266,500 tons for the same period last season, reports Production and Marketing Administration. Production of oilseed meals the first nine months of the season at 7,076,500 tons was 144,800 tons below last season.

Adding to the supplies were heavy imports which totaled 298,248 tons as against 201,247 the same months last year. Exports during the same period were only 31,263 tons compared with 83,592 the previous year.

Stocks of oilseed meals at processing plants including stocks owned by the Commodity Credit Corp. totaled nearly 600,000 tons on June 30 compared with 152,600 tons June 30 a year ago.

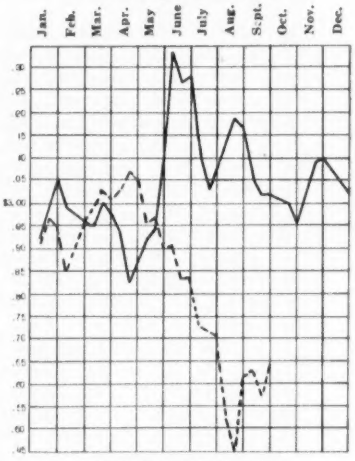
EXPORTS. It was reported that Holland, Germany and the United Kingdom were all in the market for soybeans. A total of 926 million bushels of soybeans were sold during the week of Sept. 21-26 for shipment to Germany during the October to December period.

The government authorized $600,000 for purchase of soybeans by Norway.

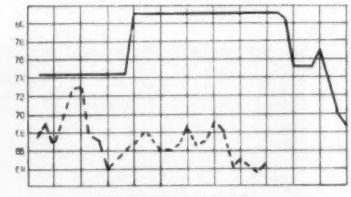
SOAPSTOCKS. Acid soybean soapstocks, delivered Midwest, remained at 4½ cents per pound during September. Raw soybean soapstocks declined from 1 87/100 to 1¾ cents a pound.

TRENDS AT A GLANCE

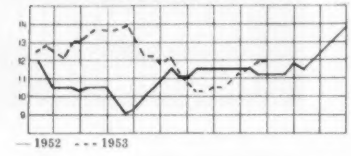
NEAR FUTURES SOYBEANS



SOYBEAN OIL MEAL BULK



CRUDE SOYBEAN OIL



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Thousands have already replaced their old testers with this improved unit. Garden City Exchange bought 7 new Steinlites. Union Equity Cooperative Exchange of Enid bought 49 for their cooperative members. Bob Hink of William's Milling Co. says: "The 400G is the finest tester for on the spot testing."

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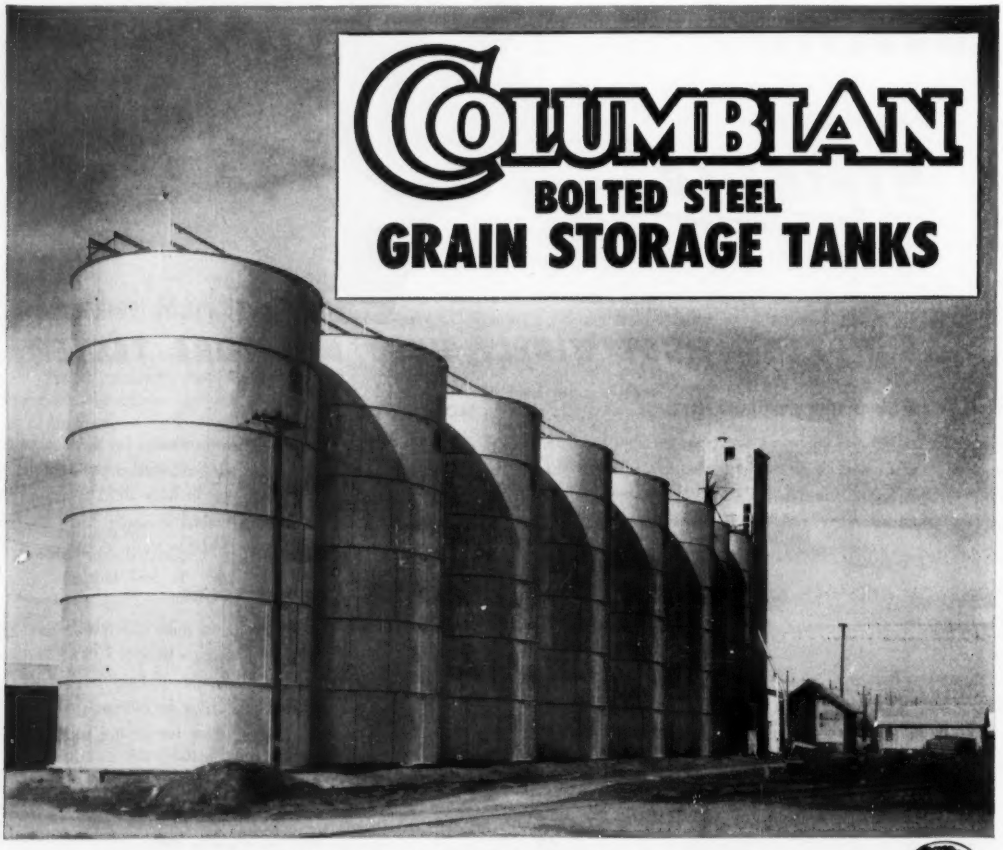

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IN THE MARKETS

● PLYWOOD GLUE. Consumption and stocks of glue by the softwood and hardwood plywood industries, reported by the Bureau of the Census. (Dry basis, 1,000 pounds.)

GLUE CONSUMPTION AND STOCKS (AT HARDWOOD PLYWOOD MILLS): BY TYPE, FIRST AND FOURTH QUARTERS 1952, AND FIRST QUARTER 1953

Type of glue	Consumption: First quarter 1953	Consumption: Fourth quarter 1952	Consumption: First quarter 1952	Stocks: March 31, 1953	Stocks: December 31 1952	Stocks: September 30, 1952	Stocks: March 31, 1952
Total, all types	17,888	16,639	*14,990	5,488	6,139	5,658	6,270
Phenolic resins	584	542	293	234	212	199	269
Urea resins†	12,859	12,062	10,654	3,058	3,764	2,833	2,648
Soybean	1,780	1,409	*1,456	934	753	800	1,133
Tapioca	917	856	932	521	587	638	1,161
Other waterproof‡	171	206	267	146	129	183	227
Other moisture resistant§	160	120	141	81	100	73	91
Other dry bond¶	1,417	1,444	*1,247	514	594	932	741

* Revised. †Includes some fortified Urea resins. ‡Includes Resorcinol, Melamine, and Melamine-Urea resins. §Includes Casein and Blood glues, and Silicate of Soda. ¶Includes Animal glues and Starch glues, other than Tapioca.

CONSUMPTION AND STOCKS OF GLUE AT SOFTWOOD PLYWOOD PLANTS

	Consumption: June 1953	Consumption: May 1953*	Consumption: June 1952	Stocks: June 1953	Stocks: May 1953*	Stocks: June 1952
Total	10,584	10,421	8,461	4,838	5,920	5,244
Casein	‡	211	154	‡	179	86
Soybean	6,371	6,203	4,951	2,700	3,019	2,985
Urea resins	403	587	392	321	552	363
Phenolic resins	2,862	2,724	2,318	1,330	1,713	1,423
Other	‡948	696	646	‡487	457	387

* Revised. ‡Casein combined with "Other" to avoid disclosing figures for individual companies.

● INSPECTIONS. Soybeans, inspected receipts by grades and percent, as reported by Production and Marketing Administration. (1)

Grade	Oct.-Aug. 1951–52		Oct.-Aug. 1952–53		August 1952		July 1953		August 1953*	
	1,000 bu.	%	1,000 bu.	%	1,000 bu.	%	1,000 bu.	%	1,000 bu.	%
No. 1	47,710	25	32,243	17	663	22	1,689	17	1,013	17
No. 2	82,882	44	90,100	46	1,638	53	4,848	50	2,730	47
No. 3	36,604	20	33,231	17	403	13	1,480	15	839	14
No. 4	13,688	7	25,197	13	127	4	1,147	12	820	14
Sample	7,307	4	13,847	7	231	8	607	6	464	8
Total	188,191	100	194,618	100	3,062	100	9,771	100	5,866	100

(1) Carlot receipts have been converted to bushels on the basis that one carlot equals 1,650 bushels. *Of the August 1953 receipts, 1,650 bushels were Black, 2,050 Mixed, and the remainder Yellow soybeans. Inspections of soybeans in August included 374,000 bushels as cargo lots, 179,171 bushels as truck receipts, and the balance as carlot receipts. Based on reports of inspections by licensed grain inspectors at all markets.

SOYBEANS: INSPECTED RECEIPTS AT UNITED STATES MARKETS 10-YEAR (1941-50) AVERAGE AND MONTHLY 1947-1953* (All data in 1,000 bushels)

Month	10-year average 1941-50	1947–48	1948–49	1949–50	1950–51	1951–52	1952–53
October	48,823	50,869	59,171	72,852	64,565	66,901	80,286
November	25,424	20,270	26,138	20,513	34,647	22,766	19,905
December	10,467	10,413	10,337	9,286	17,112	12,185	14,197
January	9,434	13,974	9,440	6,122	23,313	12,999	8,928
February	6,934	7,217	8,583	7,476	11,982	15,181	9,047
March	8,480	6,480	10,964	10,174	12,388	12,643	15,431
April	8,093	6,422	8,798	10,392	10,697	6,651	12,965
May	6,414	4,816	10,756	8,095	6,946	14,513	8,809
June	5,669	6,219	10,423	5,996	7,922	16,053	9,413
July	4,716	2,942	10,152	5,092	4,303	5,237	9,771
August	2,616	1,401	6,952	2,209	3,127	3,062	5,866
September	4,160	5,643	14,530	4,570	8,748	18,887	
Total	141,230	136,666	186,244	162,777	205,750	207,078	

* Includes truck and cargo inspections as well as carlots. Carlot receipts have been converted to bushels on the basis that one carlot equals 1,650 bushels.

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● **PROCESSING OPERATIONS.** Reported by Bureau of Census for July and August.

PRIMARY PRODUCTS EXCEPT CRUDE OIL, AT CRUDE OIL MILL LOCATIONS: PRODUCTION, SHIPMENTS AND TRANSFERS AND STOCKS, AUGUST 1953-JULY 1953

Products	Unit of measure	Production		Shipments and transfers		End of month stocks	
		August 1953	July 1953	August 1953	July 1953	Aug. 31 1953	July 31 1953
Soybean cake and meal	tons	444,975	387,583	461,104	437,910	102,259	118,388
Lecithin	1000 lbs.	2,020	1,833	2,019	2,236	1,621	1,620
Edible soy flour, full fat	tons	(1)	504	535	638	(1)	213
Edible soy flour, other	tons	4,874	3,377	4,976	3,834	732	834
Industrial soy flour	tons	3,163	2,175	3,190	2,052	1,418	1,445

(1) Not shown to avoid disclosure of figures for individual companies.

SOYBEANS: RECEIPTS, CRUSHINGS AND STOCKS AT OIL MILLS, BY STATES, AUGUST 1953-JULY 1953. (Tons of 2,000 pounds)

State	Receipts at mills		Crushed or used		Stocks at mills	
	August 1953	July 1953	August 1953	July 1953	Aug. 31 1953	July 31 1953
U. S.	222,960	248,946	560,531	490,144	228,382	565,953
Arkansas	(1)	(1)	(1)	(1)	9,803	18,960
Illinois	71,192	56,726	230,063	179,480	71,402	230,273
Indiana	57,690	43,367	59,767	65,830	19,353	21,430
Iowa	50,042	68,396	101,116	86,060	46,707	97,781
Kansas	1,104	(1)	(1)	9,289	(1)	(1)
Kentucky	4,219	4,023	9,275	12,174	6,705	11,761
Minnesota	21,467	27,791	27,868	31,523	8,371	14,772
Mississippi	(1)	(1)	(1)	(1)	460	1,802
Missouri	(1)	(1)	20,799	19,530	4,222	(1)
Nebraska	(1)	(1)	5,059	5,083	(1)	6,832
North Carolina	(1)	94	(1)	1,988	(1)	6,906
Ohio	16,523	42,374	75,937	62,903	40,933	100,347
Oklahoma	(1)	(1)	—	—	(1)	(1)
Texas	(1)	—	—	—	(1)	—
All other	723	6,175	30,647	16,284	20,426	55,089

(1) Included in "All other" to avoid disclosure of figures for individual companies.

SOYBEAN PRODUCTS: PRODUCTION AND STOCKS AT OIL MILL LOCATIONS, BY STATES, AUGUST 1953-JULY 1953

State	Crude oil (1,000 pounds)				Cake and meal (tons)			
	Production		Stocks		Production		Stocks	
	August 1953	July 1953	Aug. 31 1953	July 31 1953	August 1953	July 1953	Aug. 31 1953	July 31 1953
U. S.	207,993	179,492	60,035	65,709	444,975	387,583	102,259	118,388
Arkansas	(1)	(1)	100	239	(1)	(1)	2,686	3,363
Illinois	86,072	67,331	25,306	20,951	173,889	135,817	50,829	57,678
Indiana	23,734	24,507	9,155	11,980	50,157	53,187	14,664	19,508
Iowa	37,348	30,905	11,618	13,256	83,892	69,857	7,657	5,772
Kansas	(1)	3,471	78	1,041	(1)	7,668	(1)	435
Kentucky	3,492	4,574	873	685	7,340	9,539	1,279	(1)
Minnesota	9,675	10,697	2,866	4,199	22,012	25,938	1,357	1,177
Mississippi	(1)	(1)	(1)	(1)	(1)	(1)	1,976	3,050
Missouri	7,563	7,207	1,310	1,751	16,786	16,011	1,492	1,542
Nebraska	1,627	1,636	535	788	4,296	4,334	(1)	(1)
N. Carolina	(1)	579	(1)	1,257	(1)	1,580	9,962	12,296
Ohio	27,972	23,089	5,893	6,176	61,564	50,757	3,125	2,718
Oklahoma	—	—	—	—	—	—	539	1,125
Texas	—	—	—	—	—	—	(1)	496
All other	10,510	5,496	2,301	3,386	25,039	12,895	6,693	9,228

(1) Included in "All other" to avoid disclosure of figures for individual companies. Prepared by Bureau of the Census, Industry Division, Chemicals Section.

● **PRICES.** Average price for soybeans received by farmers, effective parity price and price support rates (dollars per bushel).

Average farm price			Average price as % of parity	Effective parity	National average price support rate	
Aug. 15 1952	July 15 1953	Aug. 15 1953	Aug. 15 1953	Aug. 15 1953	1952 crop	1953 crop
3.05	2.44	2.40	87	2.77	2.56	2.56

Average farm and parity prices from Crop Reporting Board.

● **EXPORTS.** U. S. exports of soybeans and soybean oil for June, as reported by the Foreign Agricultural Service of the U. S. Department of Agriculture.

Soybeans	1,826,271 bu.
Soybean oil:	
Crude	2,325,981 lbs.
Refined, but not further processed	984,897 lbs.
Refined, deodorized and hydrogenated	629,072 lbs.

Converted to a soybean equivalent basis, the exports for June amounted to 2,229,145 bushels.

● **STOCKS.** Production and Marketing Administration's commercial grain stock report. (1,000 bu.)

	Aug. 24	Aug. 31	Sept. 8	Sept. 15	Sept. 21
U. S. Soybeans in Store and Afloat at Domestic Markets					
Atlantic Coast	117	146	132	134	108
Gulf Coast	710	745	788	715	597
Lower Lake	407	433	380	337	289
East Central	46	60	56	69	243
West Central, Southwestern and Western	598	491	377	247	122
Total current week	1,878	1,875	1,733	1,502	1,359
Total year ago	1,990	1,216	817	582	591
U. S. Soybeans in Store and Afloat at Canadian Markets					
Total current week	—	8	0	54	14
Total year ago	0	0	0	0	0
Total North American Commercial Soybean Stocks					
Current week	—	1,883	1,733	1,556	1,373
Year Ago	1,990	1,216	817	582	591

● **FACTORY USE VEGETABLE OILS** for June and July, as reported by Bureau of the Census.

FACTORY CONSUMPTION OF VEGETABLE OILS, BY USES, DURING JULY 1953 (1,000 pounds)

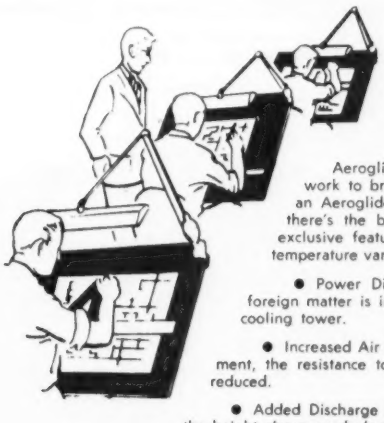
	Edible products			Inedible products			
	Shortening	Margarine	Other edible	Soap	Chemicals	Paint and varnish	Lubricants and greases	Other inedible products
Cottonseed, refined	9,159	2,254	1,108	—	155	2	—	63
Soybean, crude	—	—	—	—	67	492	—	826
Soybean, refined	25,611	4,443	11,160	—	26	5,686	18	4,899
Vegetable foots	—	—	—	—	1,885	84	—	816
Hydrogenated cottonseed oil, edible	10,858	13,410	1,409	—	—	—	—	1
Hydrogenated soybean oil, edible	28,816	49,928	919	—	—	—	—	7
Hydrogenated vegetable oil, other, edible	1,238	853	714	—	—	—	—	—
Shortening	—	—	552	—	—	—	—	8
Fatty acid stock	—	—	—	425	—	54	—	359

DISTRIBUTION OF 1952 FATTY ACID PRODUCTION TOTALS BY THE OLD AND NEW FATTY ACID CATEGORIES (1,000 pounds)

Fatty acid classifications initiated with January 1953 reports

Fatty acid classifications reported prior to January 1953	Production totals for 1952	Stearic acid (40-50% stearic content) types commercially designated as single, double, triple pressed	Other stearic acids (over 50%) stearic content) high palmetic (over 60% palmetic), hydrogenated animal and vegetable fatty acids	Hydrogenated fish and marine mammal fatty acids	Unhydrogenated fish and marine mammal fatty acids	Coconut-type fatty acids including coconut, babassu and palm kernel and such fractionated fatty acids as lauric, caprylic, capric, and myristic	Oleic acid, including white oleic and red oil	Unsaturated animal fatty acids (unhydrogenated), other than oleic	Unsaturated vegetable fatty acids (unhydrogenated)
Production totals for 1952	548,251	50,049	71,560	1,309	* 35,176		* 145,438	170,171	
Vegetable oil fatty acids from foots and other than foots	164,604	—	—	—	25,415		—	139,149	
Animal fat and oil fatty acids	159,905	*	*	—	—		* 139,986	—	
Fish and marine mammal fatty acids	672	—	—	*	*	—	—	—	
Fatty acids from fractionating or pressing									
Stearic acid	55,978	*	*	—	—	—	—	—	
Oleic acid	68,434	—	—	—	—	68,434	—	—	
Other	53,602	*	*	—	9,761	—	5,452	31,022	
Solid fatty acids, produced by splitting hydrogenated fats and oils, or by hydrogenation of fatty acids	45,056	* 43,442	*	—	—	—	—	—	

* Not shown to avoid disclosure of figures for individual companies.
Reported by Bureau of the Census



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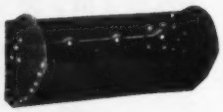

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● SUPPLY AND DISTRIBUTION of the 1951 and 1952 soybean crops, reported by Production and Marketing Administration. (1,000 bu.)

	1951-52	1952-53
Carry-over *	4,159	3,575
Production	282,477	291,682
Total supply†	286,636	295,257
Farm use including seed for season	22,500	22,800
Quantity remaining for processing, export, or carry-over	264,136	272,457
Disappearance through July 31‡		
Crushed for oil or processed§	211,861	200,068
Exported	15,242	29,347
Total	227,103	229,415
Balance on Aug. 1 for processing, export, or carry-over	37,033	43,042

* Stocks as of Oct. 1. †Imports negligible. ‡October through July. §New crop soybeans crushed prior to Oct. 1 not included. It is believed that 4 to 6 million bushels of the 1952 crop were processed prior to Oct. 1 while only 2 to 3 million bushels of the 1951 crop were processed prior to Oct. 1.

● FUTURES TRADING and open contracts in soybean oil meal on Memphis Merchants Exchange Clearing Association, in tons bulk.

	Volume of Trading	Open Contracts		Volume of Trading	Open Contracts
Aug. 25	7,600	63,700	Sept. 14	1,900	78,900
Aug. 26	2,500	63,400	Sept. 15	1,100	78,900
Aug. 27	4,200	64,100	Sept. 16	900	79,000
Aug. 28	6,100	65,700	Sept. 17	3,200	81,100
Aug. 31	3,500	66,600	Sept. 18	4,300	84,100
Sept. 1	3,300	68,700	Sept. 21	2,600	83,900
Sept. 2	3,900	71,000	Sept. 22	4,200	84,500
Sept. 3	2,300	71,500	Sept. 23	4,600	84,900
Sept. 4	2,400	72,700	Sept. 24	3,300	85,500
Sept. 8	2,700	72,500	Sept. 25	3,300	85,100
Sept. 9	2,700	73,900	Total for 23 days reported	78,300	
Sept. 10	3,000	75,300			
Sept. 11	4,700	78,900			

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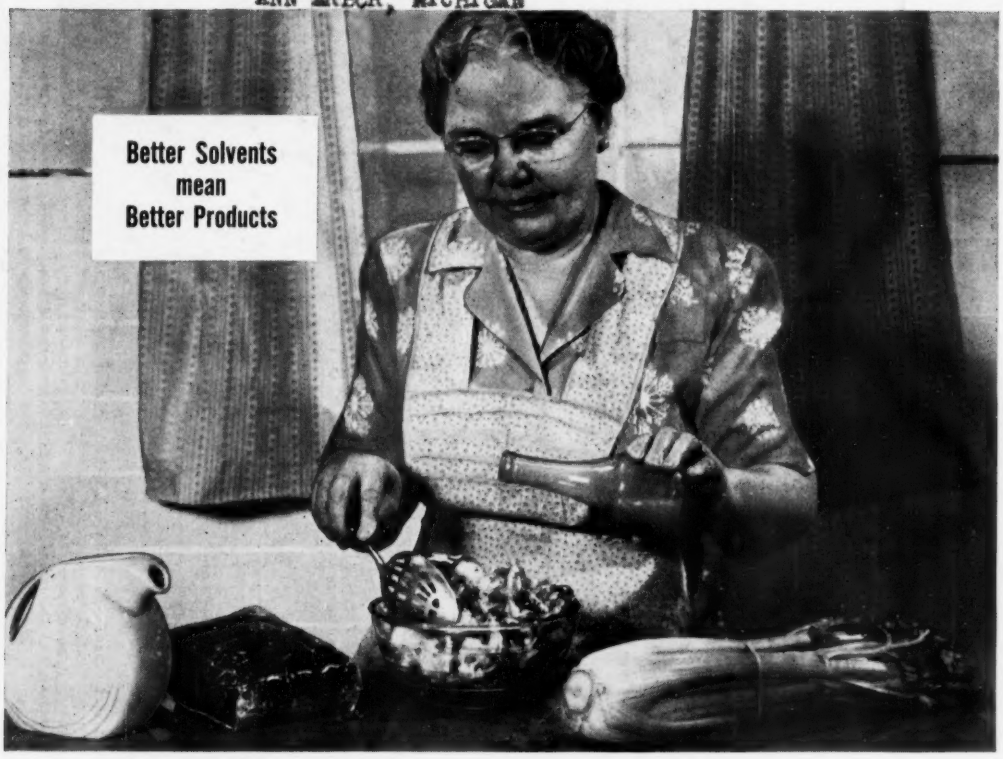

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